



CITY OF SUNNYVALE
Department of Finance

June 3, 2005

TO: Amy Chan, City Manager

FROM: Mary J. Bradley, Director of Finance

SUBJECT: Audit of FY 2002/2003 Performance Results for Program 243 – Development Services

Attached for your review is the final performance audit report for the Development Services Program. Kate Murdock and Cheryl Solov prepared the report and the Departments of Community Development, Public Safety and Public Works reviewed it. A summary of all recommendations is included as part of the departmental response at the end of the report.

The audit included:

- Testing of procedures outlined within each Standard Operating Procedure (SOP) to determine whether the procedures are clearly stated and understood by staff and whether they can be followed as described;
- Testing of performance values reported for FY 2002/2003 to ensure mathematical accuracy and to determine whether adequate documentation exists to support the reported results; and
- Evaluation of whether the existing measures coordinate with the actual efforts undertaken by the Program.

The next step is for the Departments to set out the implementation timeline in broad terms. Through the course of auditing the Program's performance measures, audit staff found some additional issues for management to address with regards to Program operations and recommended that the City conduct a review of the Program's internal controls and the calculation and collection of fees. This review has been programmed as part of the Finance Department's Operational audit schedule in FY 2005/2006.

It is recommended that this audit report serve as a resource in any future restructure process. I would like to thank the Community Development Department staff for their cooperation and assistance with the audit.

Program Audit Results

for the

Development Services Program

June 2005

Table of Contents

Cover letter

Introduction	3
Background	3
Audit Scope and Methodology	4
Summary of Main Program Results Findings and Recommendations	6
Development Services Program 243 –	9
Summary Table of FY 2002/2003 Performance Verification Ratings	
 Section I: Development Services Program Findings and Recommendations	14
Plan Check Fees Are Not Consistently Applied and Collected	14
Developing Policies and Procedures for Key Areas	16
Strengthening Internal Controls	17
 Section II: Program Measure Findings and Recommendations	20
Program Measure 1	20
Program Measure 2	22
Program Measure 3	23
Program Measure 4	23
Program Measure 5	24
Program Measure 6	26
Program Measure 7	31
Program Measure 8	31
Program Measure 9	32
Program Measure 10	32
Program Measure 11	33
Program Measure 12	34
Program Measure 13	39
 Section III: Service Delivery Plan Findings and Recommendations	41
SDP 24301 – Land Use Permitting	41
SDP 24301-01	41
SDP 24301-02	41
SDP 24301-03	43
SDP 24301-04	43
SDP 24301-05	43
SDP 24301-06	45
SDP 24301-07	46
 SDP 24302 – Construction Permitting	48
SDP 24302-01	48
SDP 24302-02	48
SDP 24302-03	48
SDP 24302-04	48
SDP 24302-05	50
SDP 24302-06	50
SDP 24302-07	50
SDP 24302-08	51

SDP 24305 – One-Stop Counter	52
SDP 24305-01	52
SDP 24305-02	54
SDP 24305-03	57
SDP 24305-04	59
SDP 24305-05	60
SDP 24305-06	61
Section IV: Activity Findings and Recommendations	63
Activity 234110	63
Activity 234120	63
Activity 234610	63
Activity 234620	63
Activity 234630	63
Activity 234640	63
Activity 234130	64
Activity 234190	65
Activity 234210	66
Activity 234230	66
Activity 234510	66
Activity 234540	66
Activity 234550	66
Activity 234220	67
Activity 234240	67
Activity 234520	67
Activity 234560	67
Activity 234530	67
Activity 234290	68
Activity 243250	68
Activity 243260	69
Activity 243999	72
Activity 243800	72
Activity 243801	73
Activity 243802	74
Appendix A: Fees Assessed and Collected for Projects with 3 rd , 4 th , 5 th , 6 th , and 7 th Plan Check Submittals in FY 2002/2003	75
Appendix B: Unpaid Plan Check Fess in FY 2002/2003	76
Appendix C: Identified Projects with Plan Check Submittal and Completion Dates Changed	77
Appendix D: Statistical Sampling Guidelines	78
Appendix E: One-Stop Survey Examples	81
Appendix F: Departmental Response	82

Introduction

The audit of the Development Services Program FY 2002/2003 performance results commenced in early 2004 and was carried out as part of the effort to audit all City programs' results once every eight years. The audit team would like to thank the staff from Development Services, Information Technology, Budget, Public Works, and Public Safety for their assistance.

Background

Outcome Measurement in Sunnyvale

Measuring program performance outcomes has been a key feature of Sunnyvale's management system for more than two decades. Funding for City programs is not budgeted by line item, but rather by the efforts or tasks undertaken by staff. These tasks are called "activities." Each activity has a budgeted number of dollars intended to cover the cost of carrying out the task. Each activity also has a budgeted number of "products" that management is expected to produce with those dollars.

Related activities are grouped together. The groupings are called Service Delivery Plans, or SDPs. Taken together, these activities are expected to yield more than just the sum of the "products" of each activity. Collectively, they are expected to produce broad end results, or "outcomes," that can be measured. For instance, an activity that pays for staff to review land use permit applications will yield a certain number of applications reviewed – the "products." Also – in conjunction with other activities – this effort will produce a measurable level of "public satisfaction" with Development Services – the "outcome."

Service Delivery Plans with similar missions are grouped together to form programs. For instance, the Development Services program in FY 2002/2003 contained three SDPs: one to provide land use permitting, one to provide construction permitting and one to provide for "one-stop" customer service. Programs are then grouped to form departments. The Development Services program was one of five programs in FY 2002/2003 within the Department of Community Development.

Development Services Program

The Development Services Program FY 2002/2003 budget provided \$3,301,650 and 54,269 work hours for achievement of the Development Services program goals. This program represented

about 55% of the total Community Development Department budget of about \$6 million. According to the Development Services Program's Building Activity Report, in FY 2002/2003 the Program issued 3,924 permits, completed 14,475 inspection stops, and completed 1,170 express plan checks and 281 regular plan checks, which represent just a few of the Program's accomplishments.

The Program Outcome Statement for the Development Services program states: "Ensure and improve the safety, physical appearance and functionality of the City through a positive, proactive and comprehensive development review by:

- Providing comprehensive and timely review and assistance to achieve compliance with relevant land use and development requirements,
- Providing an integrated and effective development review and permitting system, that adds valuable technical knowledge to the process while minimizing review times,
- Supporting the City Council, Planning Commission, and Heritage Preservation Commission, as necessary, in order to implement the General Plan and policies of the City with respect to land use and development project reviews, and
- Providing timely building inspections to ensure compliance with approved plans."

The program has 10 outcome measures at the program level, 3 Service Delivery Plans (SDPs) with a total of 18 SDP outcome measures, and 24 activities. Several outcome measures are repeated at the SDP level and as a result audit staff reviewed a total of 43 distinct measure and activity results.

Audit Scope and Methodology

The purpose of the performance audit of the Development Services Program was to review and verify the FY 2002/2003 results of the program, service delivery plans (SDPs), and activity measures. In achieving the audit objectives, we gathered and reviewed all the existing written standard operating procedures (SOPs) for calculating the program's outcome measure results and activity products. We then evaluated the methodology employed for reporting the actual results in FY 2002/2003, as well as the documentation used for those calculations and the mathematical accuracy of the reported figures.

We also reviewed the Municipal Code, City's policies and procedures, and the California Building Code as they relate to this program's measures. Finally, we interviewed staff from the Development

Services Program, City Manager's Office and Information Technology Program to complete our analysis.

Through the course of auditing the Program's performance measures, we found some additional issues for management to address with regards to the Development Services Program's operations. These issues are addressed briefly in Section I of this report and may require further investigation.

Measures were evaluated based on four categories and then given a rating of verified, verified with exceptions, or not verified. These evaluation systems are discussed below.

Performance Measure Evaluation Categories and Ratings

We assessed each measure for accuracy in terms of four primary categories:

- Measure – We reviewed the measures themselves for consistency with the program and service delivery plan objectives and in general for the information they communicate about the program's performance.
- SOP Calculation Methodology – We reviewed each measure's SOP calculation methodology to ensure it provided clear instruction on how to monitor, track and calculate the measure's result.
- Data – We analyzed the data provided by the Development Services program for consistency with the SOP methodology and integrity.
- Calculated Result – We determined whether actual performance varied more than +/-5% from the reported performance.

We then assigned a rating to each measure based on the results of our analysis. This rating system is based in part on the *Managing for Results Performance Measure Certification* Program used by the County Auditor in Maricopa County, AZ.

The ratings are as follows:

- Verified –
 - Reported performance measurement is accurate (+/-5%).
 - Adequate procedures are in place for collecting and reporting performance data
- Verified with Exceptions –
 - Reported performance measurement is accurate.
 - However, there are relatively minor problems with the measure itself, the SOP calculation methodology, and/or the data submitted.

- Not Verified –
 - The actual performance is different from that reported
 - There are significant problems with the measure itself, the SOP calculation methodology, and/or the data submitted
 - The procedure used by the program to collect and report performance data deviated significantly from that presented in the SOP.
 - The data is missing
- N/A –
 - The product is not auditable. For example, if the product of the activity is work hours, there is no feasible way for the audit staff to verify that those hours were worked.

Summary of Main Program Result Findings and Recommendations

Through the course of our audit, several recurring themes emerged, which are briefly summarized here. A summary table of the Development Services performance measure results for FY 2002/2003 begins on page 9. Section II contains detailed findings and recommendations for each individual measure and activity.

The audit reviewed the 12-month period of July 2002 through June 2003. Over the 24-months since June 2003, the Department has recognized and corrected some of the deficiencies noted in this report. The Department also plans a complete review of its outcome measures in June or July of 2005.

This review provides an opportunity for the Department to not only look at its measures, but its structure. Audit staff recommends the Department confer with the other divisions and departments with which they partner to carry out the objectives of the Development Services Program when considering their restructure. Specifically, the Department needs to work with Public Safety and Public Works, both of which manage employees that perform work at the One-Stop Counter, to ensure that these Departments have appropriate control over the resources they manage and the measures for which they are held accountable.

Overview of Performance Results with Verification Ratings

- 67% of the measures and activities were verified. However, only 22% were verified with no exceptions noted.
- 33% of the measures and activities were not verified.

- 25% of the measures had exceptions with the measure itself noted, typically because the measure wording did not accurately reflect what was being measured.
- 41% of the measures had SOP procedures that were inadequate, outdated, or missing.
- 67% of the measures lacked adequate supporting documentation, had data that was inconsistent with the reported result, or were missing documentation entirely.
- 20% of the measures' calculated results were calculated incorrectly or the documentation submitted was inconsistent with the reported result.

Achieving statistically significant results.

Forty-one percent of the measures had SOP procedures that were inadequate, outdated, or missing. Three primary problems were found throughout the SOP procedures: inadequate or incorrect statistical sampling procedures, inadequate data tracking and documentation procedures, and undefined calculation procedures. Reporting on many of these measures requires complex and sophisticated statistical sampling and data tracking procedures. Program staff cannot be expected to possess the expertise necessary to develop such procedures. In general, the qualifications and skill set necessary to create survey methodologies is not commensurate with the qualifications and skill sets necessary to manage programs. Obtaining this expert knowledge is discussed below.

Bias: the inherent problem in having staff measure their own customer service provision.

In addition to inadequate sampling methodologies, several measures relating to customer service in the Development Services Program are measured by the staff providing the service. These types of measures were most frequently found in the One-Stop Counter Service Delivery Program and as a result this program had the fewest number of measures verified. This practice of having staff measure their own performance presents a number of problems.

First, staff members are expected to take measurements while concurrently serving customers. As a result, staff members are only able to take samples and make observations when it is less busy in the office, which biases the results. At these times, customer service is likely better than when the office is busy – wait times will likely be shorter, customers will be referred to the right resource more often, etc. Second, since staff members know when they are being measured or evaluated they will likely “step up” their performance at these times. Third, individuals cannot be expected to objectively evaluate their own performance. These types of measures exist

throughout the City's departments and programs and these same problems are also found in those programs.

The City addressed some of these problems by contracting with the Gelfond Group in 2000 to survey residents' levels of satisfaction with various City departments, programs and services. However, this survey is designed to gauge residents' perceptions and impressions of the City and is not able to capture residents' feedback on specific service transactions that take place.

Recommendations:

1. Audit staff recommends that the City contract with an independent consulting group to develop guidelines for achieving statistically significant results. Such guidelines would be applicable to all departments and would instruct staff on how to take a sample size, conduct a random sample, avoid biasing results, etc.
2. Audit staff recommends the City explore having an independent consulting group track some of the more difficult customer service measures that appear in several departments. For example, one of the measures for the One-Stop Counter is the extent to which they refer phone customers to the correct Development Services staff. An independent consultant could sample this service. If it is not possible to contract out these services, then the City needs to work with departments to develop simpler methods for getting feedback on specific customer transactions.

Poor documentation and record keeping procedures.

A consistent problem found throughout the Program was the lack of documentation to support reported measure and activity results. In several instances the documentation was reported as missing or thrown away. In other instances the documentation provided by the Department was contradictory to that reported in the MBO.

Recommendations:

1. Program Management should develop written procedures for documenting and maintaining records. Records and documentation supporting program measure results should be kept for a minimum of 3 years for auditing purposes.

Development Services Program 243 – Summary Table of FY 2002/2003 Performance Result Verification Ratings						
Program Measures (PM)	Verified	Not Verified	Exceptions Found with			
			Measure	SOP Calculation Methodology	Data	Calculated Result
PM 1: 78% of the members of City Council and Commissions supported by Community Development rate the quality of development review process as meeting expectations. Reported Result: 100%	✓			✓	✓	
PM 2: 85% of the members of City Council and Commissions supported by Community Development rate the completed development projects as meeting expectations with approved concept plans. Reported Result: 100%	✓			✓	✓	
PM 3: Program Measure Inactive.						
PM 4: 90% of all building permits with plans and minor building permits are ready for issuance within one business day. Reported Result: 93%.	✓		✓			
PM 5: 91% of requested inspections are completed within 24 hours of the request. Reported Result: 99%	✓		✓		✓	✓
PM 6: 95% of the project reviews, plan checks and inspection which are audited are found to meet standards for quality. Reported Result: 95%		✓		✓	✓	✓
PM 7: Program Measure Inactive.						
PM 8: An overall customer satisfaction rating of 85% is achieved. Reported Result: 95%	✓			✓		✓
PM 9: Program Measure Inactive.						
PM 10: The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0. Reported Result: 1.05	✓					
PM 11: 90% of total building permits (on a three year average) are closed. Reported Result: 104%	✓			✓		
PM 12: 88% of regular building plan checks are reviewed within an average 21 days. Reported Result: 96%	✓		✓		✓	
PM 13: 95% of land use permit applications are reviewed within 10 days. Reported Result: 96%		✓		✓	✓	

Service Delivery Plan 24301 – Land Use Permitting	Verified	Not Verified	Exceptions Found with			
			Measure	SOP Calculation Methodology	Data	Calculated Result
SDP 24301-01: Repeat of Program Measure 1.	✓			✓	✓	
SDP 24301-02: 95% of the public notices are accurate and published on in accordance with City standards. Reported Result: 95%		✓		✓	✓	
SDP 24301-03: Repeat of Program Measure 13.		✓		✓	✓	
SDP 24301-04: Measure Inactive.						
SDP 24301-05: 95% of the project reviews and plan checks which are audited are found to meet standards for quality. Reported Result: 95%		✓		✓	✓	
SDP 24302-06: A overall applicant satisfaction rating of 85% is achieved. Reported Result: 92%	✓			✓	✓	
SDP 24301-07: The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0. Reported Result: 1.07	✓					
Service Delivery Plan 24302 – Construction Permitting						
SDP 24302-01: Repeat of Program Measure 4.	✓		✓			
SDP 24302-02: Measure Inactive						
SDP 24302-03: Repeat of Program Measure 5.	✓		✓		✓	✓
SDP 24302-04: 95% of plan checks and inspection which are audited are found to meet standards for quality. Reported Result: 95%		✓		✓	✓	✓
SDP 24302-05: Repeat of Program Measure 11.	✓			✓		
SDP 24302-06: Repeat of Program Measure 12.	✓		✓		✓	
SDP 24302-07: Measure Inactive.						
SDP 24302-08: The Budget/Cost Ration (planned cost divided by actual cost) is at 1.0. Reported Result: 1.02	✓					
Service Delivery Plan 24305 – One-Stop Counter						
SDP 24305-01: Initial contact with telephone customers is made within 50 seconds 70% of the time. Reported Result: 90%		✓		✓	✓	✓
SDP 24305-02: 95% of customers are connected to the appropriate development service staff. Reported Result: 98%		✓	✓	✓	✓	

Service Delivery Plan 24305 – One-Stop Counter Continued	Verified	Not Verified	Exceptions Found with			
			Measure	SOP Calculation Methodology	Data	Calculated Result
SDP 24305-03: 70% of counter customers are seen within 15 minutes. Reported Result: 98%		✓	✓		✓	
SDP 24305-04: Cashier balances within \$5.00 95% of the time. Reported Result: 100%	✓					
SDP 24305-05: An overall customer satisfaction rating of 80% is achieved. Reported Result: 92%	✓			✓	✓	
SDP 24305-06: The Budget/Cost Ratio (planned divided by actual cost) is at 1.0. Reported Result: 1.14	✓					
Activities						
243110: Review Land Use Permit Applications by Planning. Product: A Land Use Permit Application Reviewed. Reported Result: 959	✓				✓	
243120: Review Land Use Permit Applications by Building. Product: A Land Use Permit Application Reviewed. Reported Result: 134	✓				✓	
243610: Review Land Use Permit Applications by Engineering. Product: A Land Use Permit Application Reviewed. Reported Result: 134	✓				✓	
243620: Review Land Use Permit Applications by Traffic. Product: A Land Use Permit Application Reviewed. Reported Result: 134	✓				✓	
243630: Review Land Use Permit Applications by Trees and Landscaping. Product: A Land Use Permit Application Reviewed. Reported Result: 134	✓				✓	
243640: Review Land Use Permit Applications by WPCP. Product: A Land Use Permit Application Reviewed. Reported Result: 134	✓				✓	
243130: Provide Land Use and Zoning Information. Product: A Customer Served. Reported Result: 16,600		✓	✓		✓	✓
243190: Provide Land Use Permit Administration. Product: A work hour. Reported Result: 1,666.81	Work Hours Were Not Audited.					
243210: Review Regular Building Plans by Building. Product: A Regular Building Plan Reviewed. Reported Result: 131		✓			✓	

Activities Continued	Verified	Not Verified	Exceptions Found with			
			Measure	SOP Calculation Methodology	Data	Calculated Result
243230: Review Regular Building Plans by Planning. Product: A Regular Building Plan Reviewed. Reported Result: 118		✓			✓	
243540: Review Regular Building Plans by Engineering. Product: A Regular Building Plan Reviewed. Reported Result: 80		✓			✓	
243550: Review Regular Building Plans by WPCP. Product: A Regular Building Plan Reviewed. Reported Result: 101		✓			✓	
243510: Review Regular Building Plans by Fire Prevention. Product: A Regular Building Plan Reviewed. Reported Result: 118		✓			✓	
243220: Review Express/Minor Building Permit Applications by Building. Product: An Express/Minor Building Permit Application Reviewed. Reported Result: 3,583	✓					
243240: Review Express/Minor Building Permit Applications by Planning. Product: An Express/Minor Building Permit Application Reviewed. Reported Result: 934	✓					
243530: Review Express/Minor Building Permit Applications by WPCP. Product: An Express/Minor Building Permit Application Reviewed. Reported Result: 36	✓					
243560: Review Express/Minor Building Permit Applications by Engineering. Product: An Express/Minor Building Permit Application Reviewed. Reported Result: 35	✓					
243520: Review Express/Minor Building Permit Applications by Fire Prevention. Product: An Express/Minor Building Permit Application Reviewed. Reported Result: 444	✓					
243290: Provide Construction Permitting Administration. Product: A work hour. Reported Result: 3,444	Work Hours Were Not Audited					
243250: Close Building Permits. Product: A Permit Closed. Reported Result: 3635	✓					
243260: Provide Building Information. Product: A Customer Served. Reported Result: 21,285		✓	✓		✓	✓
243999: Activity is Inactive.						

Activities Continued	Verified	Not Verified	Exceptions Found with			
			Measure	SOP Calculation Methodology	Data	Calculated Result
243800: Answer Phones. Product: A Customer Served. Reported Result: 26,581.7	✓		✓	✓	✓	✓
243801: Reception/Cashier Station. Product: A Customer Served. Reported Result: 12,758.9	✓		✓	✓	✓	✓
243802: Provide One-stop Permit Administration. Product: A Work Hour. Reported Result:	Work Hours Were Not Audited.					
Total Number of Measures	33	16	12	18	33	10
Percentage of Measures	67.3%	32.7%	24.5%	40.9%	67.3%	20.4%

Section I: Development Services Program Findings and Recommendations

During the course of our audit of the FY 2002/2003 Development Services Program Performance Results, we found several operational issues that warrant correction by management. In addition, our findings suggest that a more in-depth operational audit of the Development Services Program is required. Many of the Program's operations are electronic and internal controls may need to be added to the system. As well, Development Services processes a fairly large amount of revenue for the City through the collection of application and permit fees. Any operational audit should include a look at current fee calculation and collection procedures.

Plan Check Fees Are Not Consistently Applied and Collected

In FY 2002/2003, plan check fee revenue totaled \$749,103.¹ Plan check fees cover the costs associated with reviewing plans for compliance with building, plumbing, electrical, fire and other codes. Plans often do not initially meet these codes and can be revised and resubmitted for review multiple times. According to the City's Municipal Code, plan check fees for the first submittal equal 70% of the building permit fee and according to the City's Fee Schedule, plan check fees for the third and each subsequent check equal 20% of the building permit fee.

Plan check fees for third and subsequent submittals have not been consistently assessed.

Audit staff found 47 projects for which third plan checks were completed in FY 2002/2003.² Of these 47, 18 had a fourth plan check, five had a fifth plan check, two had a sixth plan check and one had a seventh plan check. The plan check fees that should have been assessed for these checks, according to the City's Fee Schedule, total \$72,400.55 (see Appendix A). However, third plan check submittal fees were only charged on three of these projects and the rate of 20% was not applied. In one instance, the fee was 7.3% of the building permit fee and in the other two the fees were respectively 9.4% and 9.6% of the building permit fees. Fees collected for these three projects totaled \$4,145.89. The difference between the fees collected and those that should have been assessed is \$68,254.66 in lost revenue to the City.

¹ City of Sunnyvale Building Activity Report – All Projects from 7/1/2002 to 6/30/2003 (Report BG119) Run by ITD on 3/7/2005.

² This list of 47 does not include projects that are City owned, projects that did not require a building permit, or projects showing only a fire permit.

Plan check fees are not collected up front.

According to a report generated by staff in the Information Technology Department (ITD), in FY 2002/2003 plan check fees for first submittals totaling \$1,321.10 were never collected (see Appendix B). Staff explained that they do not feel it demonstrates good customer service to collect express plan check fees up front because sometimes they are not able to complete the check in one day and the customer is required to come back. They collect the fee when the customer returns and the check is completed. However, some customers may choose after their initial visit to not complete the process and in these instances the City never recovers the expenses associated with that check.

Audit staff found several actual and potential problems with both of the practices described above. Not assessing fees for third and subsequent plan reviews and not collecting plan check fees up front:

- Has resulted in lost revenue to the City
In FY 2002/2003, a combined total of \$69,575.76 in plan check fees was not assessed and/or collected.
- Violates the City's Fee Schedule
As stated above, the City's Fee Schedule specifies that re-submittal plan check fees are 20% of the building permit fee and should be applied to third and subsequent plan reviews. The fee schedule must be adhered to.
- Violates the City's Municipal Code
In terms of collecting fees up front, section 16.16.020 of the City's Municipal Code adopts the 2001 California Building Code as the Sunnyvale Building Code. Section 107.3 of the 2001 California Building Code specifies that plan review fees "shall be paid at the time of submitting the submittal documents for plan review." Staff argued that for express plan checks, customers do not "submit" plans for review because they don't leave them. Under this definition, express plan checks would never be considered submitted. Audit staff does not agree with this definition of "submit" and contends that once a staff member begins reviewing plans, the plans should be considered submitted for review.
- May result in unfair treatment of customers
Fees for third submittal plan reviews have not been consistently applied as illustrated above. In addition, the practice of not collecting fees unless the plan check is completed has not been consistently applied. Audit staff observed one instance in which

the customer was required to come back for their plan check to be completed, but was told to pay the fee before leaving. In other instances, customers were allowed to leave having not paid the fee because they needed to return the following day.

The majority of surrounding cities collect fees during the initial review.

A survey of surrounding jurisdictions found that while only two jurisdictions collect fees before initiating the review, four of the six cities surveyed always collect fees during the first visit regardless of whether the customer will need to return. Redwood City stated that they usually collect fees up front, but they are willing to work with customers if a check needs to be cut or there is some other reason the customer can not pay at the time of initial service. Mountain View was the only other city of those surveyed that does not collect fees until the plan check is approved. Both Fremont and San Jose require an appointment for express plan checks and San Jose imposes a cancellation fee for missed appointments. The table below summarizes the express plan check practices of surrounding jurisdictions:

Table 1: Express Plan Check Practices			
City	Collects Plan Check Fees at Intake?	If Customer Needs to Return, Collect Plan Fees Before the Customer Leaves?	Other Safeguards
Fremont	No	Yes	Express checks performed only by appointment
Mountain View	No	No	None
Palo Alto	Yes	Yes	None
Redwood City	No	Usually, but they will work with the customer if they need to get a check cut	None
San Jose	No	Yes	Express checks performed only by appointment and a reservation is required. No shows are charged \$170, an hour of staff's time.
Santa Clara County	Yes	Yes	None
Sunnyvale	No	Sometimes, but not usually	None

Recommendations:

1. Staff should assess plan check fees in accordance with the City's Municipal Code and Fee Schedule, specifically as they relate to

third and subsequent plan reviews. If management does not feel these fees are appropriate, then the Fee Schedule and Municipal Code should be revised to reflect any changes.

2. Staff should comply with the Municipal code and obtain payment for plan reviews during the customer's initial visit. This will prevent the City from losing money on plan checks. If staff members remain concerned about customer service they could explore requiring appointments for express plan checks or assess when a customer comes to the One-Stop if they will be able to complete the check that day. If not, then they should have the customer return the following day.

Developing Policies and Procedures for Key Areas

Staff reported that Development Services does not have policy, procedural, or training manuals for performing such critical functions as the conducting of plan checks and building inspections, staffing the counter, or issuing permits. Having codified policies and procedures and keeping such procedures up to date is necessary to ensure jobs are performed consistently across staff and over time.

Audit staff found several instances in which the lack of clear policies and procedures may have led to incorrect information being input into the computer system. For example, audit staff found instances in which plan check completion and submission dates had been changed in the system. It appeared these changes were made to make plan check turnaround times meet performance measure goals. However, program staff reported that some staff members had been incorrectly entering plan check information and this had necessitated changing dates in the system.

Audit staff also found instances in which source document data deviated greatly from that reported in the MBO. It became clear from interviewing staff that there was confusion about how to enter information and who was entering what information. This information should also be covered in a procedural manual and should coincide with the relevant standard operating procedures.

Recommendations:

1. Program management should develop policies and procedures to inform staff of appropriate uses of the SunGIS Building, Planning and Code Compliance Modules. Such procedures should include guidelines for entering data and making changes to data.

2. Program management should create a training program for new staff that includes checklists of the information that needs to be covered before someone is authorized to begin entering information into the system.

Strengthening Internal Controls

Much of the information and services provided by the Development Services Program are tracked and/or maintained electronically. In many cases there is no other source for the information than that in the computer system. As a result, ensuring the integrity of the information entered and maintained in the system is critical to Development Services operating efficiently and effectively.

In 1993 an audit of the One-Stop Permitting Counter also concluded that internal controls needed to be strengthened.³ While many of the recommendations from that audit were implemented by the Development Services Program, some were not. This audit found two critical areas where internal controls need to be strengthened.

Changing Dates in the System.

Several of Development Service's measures require the Program to track the time it takes to perform services. For example, one measure reports on the time it takes to complete plan checks and another on the time it takes from the time an inspection is scheduled to when it is actually performed. Audit staff found numerous instances of dates being changed in the system and while staff had many plausible explanations for why this occurs, it remains a problem. Through the course of this audit, some changes have already been implemented. For example, now only administrative staff can make changes to plan check submittal or completion dates. However, such controls should be added to all areas. For example, there is no reason staff should make changes to inspection completion dates.

Anonymously Entering and Changing Information in the System.

The previous audit identified that numerous staff were able to enter information anonymously by entering the "counter" as user identification. In response, a "hot key" was installed in the computer system that allows users to quickly log in and out of the system. The "hot key" automatically logs a user off if there is no activity for a period of time.

³ One Stop Permitting System Audit, September 8, 1993. Audit completed by Cheryl Bunnell.

Program staff stated that they stopped using the "hot key" because it took too long for staff to log in and out of the system. Staff also stated that sometimes staff members forgot to log out and other staff members would inadvertently enter information under another user's name. However, to address some of the concerns raised about having anonymous access to the system, staff had ITD limit the functions of users logged in as the "counter." For example, fee changes are limited to those under \$40. While this was an improvement, it still does not provide adequate internal controls.

Related to this issue of anonymous access, audit staff observed a staff member enter information under another employee's name. Staff explained that if plans are "okayed" by fire, structural, and planning, but not by building; when the customer returns with corrections, if they have not made any additional changes to the plans, the project coordinator can sign off for the other divisions that already "okayed" the plans. While this is a reasonable explanation and process, it still presents tracking problems and raises concerns with regards to the Department being able to determine accountability if problems arise later on. Staff indicated that they would instruct project coordinators to use their own initials when "okaying" plans for another staff member.

Recommendations:

1. Only Program designees should be able to make changes to dates that mark the completion of work, such as plan checks and building inspections. In addition, when administrative staff makes these changes they should provide a summary of the changes made with an explanation attached. This summary should be included in the monthly exception report that is already generated to capture other changes in the system. This report goes to the program director.
2. Management and program staff should develop a means for identifying who enters information into the SunGIS system and eliminate anonymous entry of information. Audit staff has not recommended reintroducing the "hot key" feature as program staff stated this is not a viable solution and would impede their ability to provide efficient and fast customer service. However, some other process or system feature should be added to address this issue.

Section II: Program Measure Findings and Recommendations

Program Measure 1 – Verified with Exceptions

78% of the members of City Council and Commissions supported by Community Development rate the quality of development review process as meeting expectations.

Reported Result: 100%

Audit staff verified the reported result. However, the measure's SOP calculation methodology and data collection procedures require revision.

Staff distributed a survey to Planning Commission members and included questions in the *FY 2002/2003 City Council Satisfaction Survey*, which is administered by the Office of the City Manager. City Council members were asked "To what degree did the quality of development review by Planning meet your expectations?" Quality of review was rated on a scale of 1 to 5. Planning Commission members were asked to check one of five boxes from strongly agree, to agree (middle box), to disagree, or to check a box for Not Applicable to respond to the statement "The quality of development review by Planning meets my expectations." Staff calculated the number of City Council members who rated the quality of service a 3 or higher and the number of Planning Commissioners who rated the statement as "agree" or better.

The average of the seven Council member ratings was 3.71 and audit staff confirmed this average by reviewing the actual surveys kept in the City Manager's Office. Program staff surveyed Commission members at 3 different times, but only included the responses from the most recent survey period, August 2003, which consisted of only two responses. The average of the two surveys was 4, which audit staff confirmed by reviewing the actual surveys. Audit staff also reviewed surveys from the preceding periods and found that the average for the year was 3.88. The combined results from both the Council and Commission surveys exceed a rating of 3, substantiating the reported result.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

The SOP does not adequately address calculation of the measure.
The SOP provides little to no information on how and when Council

and Commission members are to be surveyed. The SOP describes the methodology as follows: "On an annual basis, staff will survey Commission and Council members as to whether they feel that the quality of development review meets their expectations." The SOP should describe the timing and the means for administering the survey. In addition, the survey staff administered asks respondents to indicate the *degree* to which the quality of review meets expectations. The SOP does not address what rating equates to "meeting expectations."

Exceptions Found with the data:

Staff needs to consistently administer the survey and obtain a greater response rate.

Program staff surveyed Council members only once for reporting on this measure, but surveyed Commission members three times, receiving only two out of seven responses for the final survey that provided results for the measure. Council and Commission members should be surveyed an equal number of times and at the same time of the year. If members are surveyed more than once, the survey results from each period should be used in calculating the reported result.

Two out of seven responses is not an adequate response rate to achieve accurate results. Staff reported that Commission members complained about having to respond to the survey more than once and in fact one member wrote this in the comments section of the blank survey they returned. As a result, they are now only surveying Commission members once a year and will make sure they obtain responses from most, if not all Commission members.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. Staff should revise the SOP to specify when the survey will be administered to Council and Commission members, who will administer the survey and by what means, what response value constitutes "meeting expectations", and how to calculate the reported result.
2. Staff should achieve a 100% response rate on these surveys as the total number of respondents is only 14 people. If necessary, staff should work with the Office of the City Manager to achieve this response rate.

3. If staff continues to survey Council and Commission members multiple times per year, they should include the results from all survey periods in the final reported result.

Program Measure 2 – Verified with Exceptions

85% of the members of City Council and Commissions supported by Community Development rate the completed development projects as meeting expectations with approved concept plans.

Reported Result: 100%

Audit staff substantiated the reported result. However, the measure's SOP calculation methodology and data collection procedures require revision.

The results for Program Measure 2 were obtained using the same surveys of Council and Commission members as described above. Therefore the findings for this measure are the same as those above.

Question #13 on the Council survey asked "How satisfied were you that the completed development projects are consistent with approved concept plans?" Satisfaction was rated on a scale of 1 to 5. Planning Commission members were asked to check one of five boxes from strongly agree, to agree (middle box), to disagree, or to check a box for not applicable to respond to the statement, "Completed development projects are consistent with approved concept plans." Staff calculated the number of City Council members who rated the quality of service a 3 or higher and the number of Planning Commissioners who rated the statement as "agree" or better.

The average of the seven Council member ratings was 3.57 and audit staff confirmed this average by reviewing the actual surveys kept in the City Manager's Office. Program staff surveyed Commission members at 3 different times, but only included the responses from the most recent survey period, August 2003, which consisted of only two responses. The average of the two surveys was 4, which audit staff confirmed by reviewing the actual surveys. Audit staff also reviewed surveys from the preceding periods and found that the average for the year was 3.92. The combined results from both the Council and Commission surveys exceed a rating of 3, substantiating the reported result.

Recommendations:

As this Program Measure relies on results from the same surveys used to obtain results for Program Measure 1, the same recommendations apply to this measure as are stated above.

Program Measure 3 – This program measure is inactive.

Program Measure 4 – Verified with Exceptions

90% of all building permits with plans and minor building permits are ready for issuance within one business day.

Reported Result: 93%

Audit staff substantiated the reported result. However, the measure wording and data tracking system require revision.

Development Services staff reported that 93% of all building permits with plans and minor building permits are ready for issuance within one business day. Per the SOP, this result is calculated as follows:

$$\frac{\text{No. of building permits with complete plans} + \text{Minor permits issued within 1 business day}}{\text{Total permits issued}}$$

The result is automatically calculated by the SunGIS Permit Tracking System and appears in the Plan Check Turnaround Report for FY 2002/2003. The system automatically compares the date that a permit application was submitted with the date that the permit was issued. According to the report, there were 1,170 building permits with complete plans and 2,612 minor permits issued within one calendar day, for a total of 3,782. The Plan Check Turnaround Report lists 4,063 total permits issued. Therefore, the result reported was $3,782 / 4,063 = 93.1\%$.

Audit staff attempted to independently verify this by comparing dates entered into the system against dates written on the plans or permits themselves, but encountered several problems. One, the majority of permits issued are for residential building projects and residential plans are not imaged and therefore not in the system. In addition, in FY 2002/2003 the City put plans on microfiche and the results of this imaging process are often illegible. Finally, in FY 2002/2003 the back pages of the plans were rarely, if ever, imaged and this is where the signatures and dates of checks are recorded.

However, audit staff also checked to see if dates were changed in the system during the course of the year and found relatively few instances of dates being changed and not enough instances to affect the reported result. There is a reasonable level of assurance that the reported result accurately reflects staff performance. However, the SunGIS system should be changed so that submittal dates do not need to be altered. This is discussed in more detail in Section I.

Exceptions Found with the Measure:

Measure should say “same day” not “within one day.”

Information Technology staff indicated that “within one day” actually means the same day and not a 24 hour period. The wording of the measure should be changed to reflect this. As is, it understates staff performance.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. Staff should revise the measure wording to state that “90% of all building permits with plans and minor permits are reviewed the same day as applied for.”

Program Measure 5 – Verified with Exceptions

91% of requested inspections are completed within 24 hours of the request.

Reported Result: 99%

Audit staff verified the reported result, but with several exceptions. This measure requires revision so that it reflects what is actually being measured.

Staff determined the result for this measure by using a report that shows the date inspections are scheduled to occur and the date on which they actually occur. This report, “Building Inspections Completed by Next Business Day,” was obtained from the SunGIS system. The report shows 12,409 inspections scheduled and 12,365 inspections completed on the same date they were scheduled, for a result of 99.65%.

Exceptions Found with the Measure:

The wording of the measure requires revision.

Staff reported that they attempted to change this measure to read, "91% of requested inspections are completed within 24 hours of the scheduled date" instead of the request date. Staff did make this change at the Service Delivery Plan level and SDP 24302-01 reads as such. However, the measure should be revised to state "91% of requested inspections are completed on the scheduled date." This is what is actually being measured. The current wording of the measure understates staff performance. As well, if inspections were being performed up to 24 hours after they were scheduled, this would constitute poor customer service and this is not the case.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the data:

Schedule and inspection dates were altered in the system.

Approximately 323 changes were made to schedule and inspection dates. Twenty-two changes were made to inspection dates and 301 changes were made to scheduled dates. It is understandable that schedule dates will need to be changed to accommodate changes in the customer's schedule. However, changes should not be made to inspection dates. Staff should never enter the inspection completion date until the inspection is actually completed.

Due to the relatively small number of changes made to inspection dates, less than 0.2% of inspections completed, audit staff determined the reported result could be verified.

The title of the data tracking report needs to be changed.

The report does not look at the number of inspections "completed by next business day" as it indicates, but the number of inspections completed on the same day they were scheduled.

Exceptions Found with the Calculated Result:

Staff should consistently apply rounding across measures.

According to the report, 99.65% of inspections were completed on the same day they were scheduled. Therefore, staff should have reported a result of 100%, as they have rounded up on other measures.

Recommendations:

1. Staff should change the wording of the measure to reflect that the vast majority of inspections are completed on the day they are scheduled. This change should also be made to the title of the SunGIS inspection report.
2. Management should change the system, so that changes to inspection dates, not to be confused with schedule dates, can only be made by administrative staff.
3. Staff should consistently apply rounding principles across measures so results can be consistently compared over time.

Program Measure 6 – Not Verified

95% of the project reviews, plan checks and inspections which are audited are found to meet standards for quality.

Reported Result: 95%

Audit staff cannot verify the reported result, due to documentation having been lost. As well, the SOP calculation methodology and data collection and tracking procedures require revision.

This measure encompasses the review of three distinct services provided by the Planning and Building Safety divisions: Planning project reviews, Building and Planning plan checks, and Building inspections. Each division follows a different process for auditing their respective services and then they combine their results to report on the measure. The table below illustrates areas of distinction and overlap:

Division Completing Review	Project Reviews	Plan Checks	Building Inspections
Planning Division	X	X	
Building Division		X	X

Building. The Building division oversees the audits of plan checks and building inspections. These audits are performed by two individuals; one audits the plan checks and the other the building inspections. The process currently used for tracking this information is described below.

- Plan Checks Audits. The plan check auditor pulls plan checks covering all of the different types of building projects: additions, new construction, tenant improvements, etc. The auditor either audits the check concurrently as the plan check is being

performed, or shortly after a checker finishes. The auditor examines the plans to see that the checker redlined them appropriately and noted areas where the plans did not meet the building, mechanical, plumbing or electrical codes. The auditor records whether the check met or did not meet quality standards, which are defined as applying the above mentioned codes appropriately, on the "Building Safety Division Plan Check Audits" log. It should be noted that it is stated on the log sheet, "25 Audits Should be Completed Each Fiscal Year." However, the auditor commented that he audits many more than that.

- Building Inspection Audits. The building inspection auditor follows a similar process, but actually goes to the building site to see that the staff appropriately applied the building, mechanical, electrical and plumbing codes. The building auditor indicated that they did not begin using a log sheet until sometime in 2003 and that prior to that time, audit results were passed on verbally to the Superintendent of Building Inspection who recorded and kept track of them. Now, the auditor checks whether the inspection met or did not meet quality standards on the "Building Safety Division Inspection Audits" log sheets. Both audit sheets list the date, the project number, inspection type and whether the work "met/did not meet quality standard." The logs also show the initials of the person completing the review.

Planning.

- Project Reviews. Planning stated that project reviews are comprised of plan checks and administrative hearing and planning commission report reviews. Planning stated they audit 100% of Administrative Hearings and Planning Commission Reports. Planning has lost the audit information for FY 2002/2003, but reported they prepared 109 reports that year.

Planning provided a list of criteria that the auditor uses to determine if reports meet quality standards. These include: objective language, up to date information, analysis supported by data, minimal editing required, etc. They also provided a checklist that they use to review projects, showing only those projects that have been problematic.

- Plan Checks. With regards to plan checks, Planning staff stated that a random sample of checks were audited, with 4 to 6 plan checks audited once per month. Staff reported that this data is also lost, but approximates that 60 plan checks were audited.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

The methodology outlined in the SOP may not yield statistically significant results.

The SOP instructs staff to take a 2% sample of plan checks, inspections and project reviews. This is not a valid sampling methodology. The calculation of the sample size should be based on statistically accepted principles, not on a flat percentage. For example, approximately 1,500 plan checks are performed each year. In order to achieve a reasonable level of certainty that the sampled checks reflect the entire population of plan checks, a sample of 105 plan checks is required, which is 7% of the total plan checks.⁴ However, approximately 14,000 building inspections are performed each year. Using the same confidence and error levels as above, a sample size of 113 is required, which is 0.8% of the total building inspections.

Samples also need to be random. While the SOP states the sample should be random, it does not instruct staff as to how to take a random sample. As a result, the sampling technique currently used by staff is not random, but judgmental.

The SOP does not address how to define “standards for quality.”

The measure indicates that the percentage reported reflects the proportion of the samples that “meet standards for quality.” What constitutes “quality” is not defined. The SOP does not define a standard, and there is no manual, questionnaire or checklist for use by reviewers to assess the quality of the work. Staff indicated that the “standards” are defined by the various building, planning and zoning codes they are required to apply.

Planning provided audit staff with the “Staff Report Evaluation Criteria” sheet they use to audit project reviews and plan checks as well as a “Project Review Checklist” they use for auditing purposes. However, Building did not provide any criteria for performing audits and stated that they do not have any sort of checklist, manual or other materials.

Exceptions Found with the Data:

No documentation was provided to support the reported result by either division.

⁴ This assumes staff take an Attributes Sample with a confidence level of 95% and with a +/-4% error rate.

While Building staff provided a summary spreadsheet of the results for the year, Audit staff could not verify this information as the log sheets on which this information was entered are missing for FY 2002/2003. In addition, audit staff heard conflicting accounts of what happened to these log sheets with one staff member indicating they had not begun using such sheets until the end of FY 2002/2003.

Planning staff were unable to produce either log sheets or a summary of the audit results for the year. Staff indicated that 100% of Administrative Hearing and Planning Commission reports were reviewed, but they are not sure how many of these met quality standards. Staff estimated that approximately 60 plan checks were audited, but again they no longer have records regarding the number that met quality standards.

Reported result may or may not include data from the Planning division's audits.

Audit staff received conflicting reports from program staff on whether the Planning division's audit information was included in the result calculation. Audit staff could not confirm this either way. Building Safety staff provided a summary sheet of FY 2002/2003's sample reviews, which appears below.

Review for Major Errors				
	Total Reviewed	Errors	% Erred	% Okay
Building Plan Check	78	2	2.56%	97.44%
Building Inspections	850	21	2.47%	97.53%
Planning			#DIV/0%	#DIV/0%
Total	928	23	2.48%	97.52%

This spreadsheet shows no data entered for Planning and a result of 97.52%, however, the reported result was 95%. It is unclear how they arrived at 95%, but thought it may reflect the addition of data from Planning.

Building's current audit log sheets do not provide information on why the particular check or inspection did not meet quality standards.

When Building staff audit either an inspection or a plan check, they only mark whether the inspection or plan check "met quality standard" or "did not meet quality standard." There is no indication of why the inspection or plan check did not meet the standard, which makes it difficult to use the sheets in the future for any sort of information gathering.

Exceptions with the Calculated Result:

See above.

Recommendations:

1. Staff should retain all documentation used to report year-end results. This includes copies of samples drawn, reviewers' notes, log sheets, etc. In addition, staff members need to include in their list both projects that have met quality standards and not met quality standards. The Planning division provided a sample of the record they are currently keeping and it did not include projects they reviewed that met quality standards. This should be corrected.
2. Staff should randomly select samples for review and properly calculate a statistically significant sample size. See Appendix C.
3. If a significant piece of information is missing – such as the Planning data was absent from the FY 2002/2003 calculation – staff should in future years either report the result as N/A or footnote the result to indicate that it is based on partial data.
4. Due to the lack of documentation and confusion about which data was included in the reported result, management should not use the reported result as the basis for decision-making or comparison of results across years.
5. Staff should develop some general standards against which the quality of work may be assessed. The standards should then be incorporated into the review process with the reviewer specifically identifying why the plan check or inspection did not meet quality standards.

As an example, the city's Parks and Open Space Management program has a detailed manual of standards for quality. These standards provide specific criteria that parks must meet in order for internal reviewers to classify the spaces as meeting quality standards. For instance, the grass must be below a certain defined height, painted surfaces must not be peeling or chipped, there must not be graffiti, and so forth. When the reviewers assess the parks, they use a form that reflects the standards. Once the reviews are completed, management is able to see exactly what problems exist and direct attention and resources where needed. If such a system were implemented by Development Services, staff might be able to discern patterns in the types of errors made and take appropriate action to minimize errors.

Program Measure 7 – This program measure is inactive.

Program Measure 8 – Verified with Exceptions

An overall customer satisfaction rating of 85% is achieved.

Reported Result: 95%

This measure was calculated incorrectly and the reported result should have been 93.5%. The measure's SOP requires revision.

Staff stated that the result was obtained from the 2003 citywide survey conducted by the Gelfond Group. The result is comprised of the responses to the questions "How would you rate the City of Sunnyvale on the following services....Issuing Building Permits" and "...Issuing planning and zoning permits." Staff totaled the response percentages for the ratings of "very good," "good," and "average" for both questions and averaged the scores for the two questions.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

The signed SOP is missing Methodology and Data Source Sections.

There was no specified "Method of Calculation and Determination of Year-End Results." This section of the SOP was blank. It is not clear what data is supposed to be used to calculate this result. For instance, it is uncertain whether survey data should be averaged for 2002 and 2003 to get the result for FY 2002/2003, or which questions from the survey should be included in the reported result.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

The result was miscalculated.

It appears staff made a typo or minor calculation error in reporting the result. The documentation provided by Development Services staff shows responses to the building permits question were as follows:

Very good: 22%

Good: 49%

Average: 23%

Total: 94%

The documentation provided by Development Services staff shows responses to the planning and zoning permits question were as follows:

Very good: 18%

Good: 48%

Average: 27%

Total: 93%

$\frac{94\% \text{ (building permits)} + 93\% \text{ (planning and zoning permits)}}{2}$

The reported result from this calculation should have been 93.5%.

Recommendations:

1. Staff should develop an SOP that specifies which survey questions are to be used to calculate the result and whether to average data across two years or use the most recent survey.

Program Measure 9 – This program measure is inactive.

Program Measure 10 - Verified

The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.

Reported Result: 1.05

Audit staff substantiated the reported result, which shows the department came in under budget by roughly 5%.

Audit staff verified the result using the Management by Objective report for the last accounting period (14) of FY 2002/2003. The report lists the budgeted amount for this program of \$3,301,651. The amount spent by the program was \$3,152,951.

The calculation is therefore:

$\$3,301,651 \text{ (budgeted)} / \$3,152,951 \text{ (spent)} = \text{a ratio of } 1.047$

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

None

Program Measure 11 – Verified with Exceptions

90% of total building permits (on a three-year average) are closed.

Reported Result: 104%

Audit staff verified with one exception. The SOP requires revision.

Building Services staff reported closing 104% of building permits on a 3-year average. A “closed” permit is one that is canceled, expired, or completed. To calculate the result, staff prepared the following data in a spreadsheet:

	# Issued	Permits	# of Closed	Permits	% Closed
FY 02/03	4,063		3,742		92.10%
FY 01/02	3,622		4,276		118.06%
FY 00/01	4,564		4,613		101.07%
Total	12,249		12,631		103.74%

Staff determined the total percentage closed by averaging the percentage closed for each of the 3 years. Note that the percentage reported was greater than 100%. According to staff, this was due to efforts during this period to “clean up” permits issued from prior years.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

SOP does not reflect the current data sources being used.

The SOP provided states the source data comes from the “Building Activity Report” and the “Completed Project Report.” Instead, the calculation was prepared in a spreadsheet using data from the Closed Building Permits Report and Performance Outcome reports.

Exceptions Found with the Data:

No findings

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. The SOP should be updated to reflect the actual sources of data used to make the calculation.

Program Measure 12 – Verified with Exceptions

88% of regular building plan checks are reviewed within an average 21 days.

Reported Result: 96%

Audit staff substantiated the reported result with several significant exceptions. Management needs to determine if this measure should only report on the performance of the Building Safety division or on that of all divisions.

A “regular plan check” is one that cannot be completed with an “over-the-counter” or “express” review, and so must be submitted for evaluation by staff from one or more of the following divisions:

- Building Safety
- Fire Prevention
- Planning
- Public Works (Engineering)
- Structural
- Water Pollution Control Plant
- Parks and Recreation
- Traffic
- Public Safety
- Hazardous Materials

By definition, “express” reviews are completed on the same day; “regular” reviews are completed in 1 or more days.

When plans are submitted for review, the computer system automatically logs a "received" date. Then each plan checker records the date when he or she completes the plan check. Staff is able to run a standard report from the system, called the "Plan Check Turnaround Report," which automatically calculates statistics regarding plan check completion times collectively and individually for each of the divisions listed above. To determine the overall number of days it takes to complete the checks, the report calculates the difference between the received date and the date of the last check completed.

Exceptions Found with the Measure:

Staff only reported the performance of the Building Safety division instead of the performance of all the divisions involved in completing plan checks.

Staff asserted that this is only a measure of the Building Safety Division's performance, which is what the reported result reflects. If so, then the current wording of the measure is misleading because "building" is not capitalized. In addition, the definition provided in the SOP is as follows, "A regular building plan check is defined as a plan check that is not able to be completed over the counter and therefore must be submitted for review." This makes no distinction between checks completed by Building Safety versus other divisions.

Development Services Program staff stated that since they do not have authority over the work and performance of the staff from other divisions, such as fire, they should not be held accountable for the performance of these other divisions. However, Development Services staff does work with the staff of the other divisions to determine the appropriate number of hours to allocate to each division in order for them to perform tasks related to Development Services.

Audit staff agrees that the question of accountability is a problem. Staff from other divisions indicated that they have little control over the resources they are given to perform tasks for Development Services and they also do not set the performance goals that they are supposed to achieve, yet they do the work. Staff from one division stated that while their budgets and staff had been cut, their performance levels had not been reduced.

Audit staff disagrees with program staff that this measure is only supposed to reflect performance of the Building Safety Division. Only reporting on the performance of the Building Safety Division is somewhat meaningless as the completion of the plan check, for the purposes of the customer, is dependent on all of the divisions completing their respective checks.

For example, Building Safety may complete the check in 3 days, but Fire may take 30 days and it is only after Fire has completed their check that the customer hears from Development Services. This distinction is significant as can be seen in the Plan Check Turnaround Report for FY 2002/2003. While the percentage of plan checks completed by Building Safety within 21 days was 96%, for all divisions it was only 73.6%. However, audit staff agrees with the Program, that these other divisions should also be held accountable for the results of this measure.

The measure wording required revision, but has since been corrected.

The measure states that checks should be completed within an "average of 21 days." However, the reported result does not reflect an average. The wording has since been changed to state that checks are completed "within 21 days."

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

Plan check submittal and completion dates were changed.

While audit staff identified relatively few instances of plan check submittal and completion dates being changed, only 2% of express checks and 3.5% of regular checks, it appeared in these instances that these changes were made in order to make the plan check turnaround times meet the measure's goal of 21 days.⁵ The number of changes was not significant enough to affect the reported results. While staff gave several reasons for needing to change submittal and completion dates, these explanations did not always fit the data.

Plan Check Submittal Dates Changed - Audit staff identified 16 instances in which individuals with access to the system altered FY 2002/2003 plan check submittal dates. Program staff stated that sometimes customers request to know the fees for a project prior to submitting for the plan check because they need to have their organization prepare the check, which can take several days. In order to calculate the fees, the staff member needs to enter the project information into the system, which automatically records the current date as the date of the plan check submission. When the customer returns, either the next day or several weeks later, the staff member

⁵ Changes were made to 24 express plan check submittal and completion dates out of a reported 1,170 express checks. Changes were made to 10 regular plan check submittal dates out of a reported 281.

changes the submittal date to reflect the actual submission of the plans. While this is a plausible explanation, audit staff found several instances where this explanation does not fit the data. In 6 of the 16 instances, the plan check fees were paid on the initial submittal date registered in the system.

In one of these instances, a plan check was submitted and paid for on December 6, 2002. Two weeks later, on December 20th, an employee electronically changed the submittal date from December 6th to December 20th. This date – December 20th – is also the date staff entered as the plan check completion date. Since the plan check was paid for on December 6th, it is presumed that the check was done at that time, but there may be another explanation. Details of all the submittal date alterations identified are contained in Appendix C. It should be noted that in one instance, the date modification caused staff to appear to take longer to complete work than may have been the case.

Plan Check Completion Dates Changed – Audit staff identified 18 instances in which plan check completion dates were changed, often months after the check had been completed. For example, on February 3, 2003 staff entered a completion date of November 21, 2002 changing the turnaround time to one day. Program staff explained that staff had improperly entered plan check information resulting in the completion dates needing to be altered. Program Staff explained that in these instances the plan check had not been “okayed” by one staff member. When the customer returned with the corrected plan check, the staff member went back and changed their “no” to an “okay” in the system. However, this is not the correct procedure. The staff member should have entered this as the second submission and shown the “okay” for the 2nd submission.

Staff noted these projects by the excessively long turnaround times and went back into the system and changed the completion dates. Staff indicated that corrective action has been taken with the checkers who were improperly entering information and that this no longer happens. There should therefore be no more completion dates changed. As well, staff stated that the system has been changed and only administrative staff can make changes to plan check completion dates. Staff indicated this change was made in 2000 or 2001, but audit staff found that multiple staff had changed the completion dates, not just administrative staff. Regardless, the change is in effect now.

Staff can enter information into the system anonymously.

More than 20 personnel have the ability to log in under their own user identification and make changes to plan check submittal dates in the

computer system. These changes may be made under an individual's own "log in," or may be made anonymously using the "counter" log in. The ability to anonymously enter and change information in the system eliminates accountability and, as in this case, calls into question the integrity of the results.

A previous audit, conducted in 1993 of the One-Stop permitting system, also identified this problem. As a result, IT developed and installed a "hot key" feature that enabled users to quickly log in and out of the system and automatically logged a user out of the system if there was no activity for a certain period of time. Staff indicated that they had disabled this system because it was too time consuming. However, audit staff observed use of the system by IT staff and log in took less than 20 seconds.

As an alternative, staff stated that they have greatly reduced the number of functions the "counter" login can perform. While this provides some protection, it is audit staff's opinion that this is not adequate given the nature of the information that is entered, such as fee changes.

It should be noted that staff recycles single-family residential plans three months after completion. In the end, the City's only records of plan check reviews for these plan checks are electronic. It is therefore particularly important that staff not alter the electronic files.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. A field should be added to the project acceptance screen that distinguishes between when project information is input to calculate fees and when a project is submitted for a plan check.
2. Changes to dates and fees should be noted in the weekly exception report that is already reviewed and signed by the Superintendent of Building Inspections. This exception report currently provides information on the permit fees that have been changed or refunded, but should be expanded to include this additional information.
3. Management and program staff should develop a means for identifying who enters information into the SunGIS system and eliminate anonymous entry of information. Audit staff has not recommended reintroducing the "hot key" feature as program staff

stated this is not a viable solution and would impede their ability to provide efficient and fast customer service. However, some other process or system feature should be added to address this issue.

4. Due to the implications of altering data in the system, all personnel using the SunGIS system should be counseled against deliberate alteration of dates or other information.
5. Audit staff agrees with program staff that this measure needs to be reported on two levels: the turnaround time for all divisions and the turnaround time for each individual division. Management staff from Development Services and the other involved divisions will need to determine how to provide for accountability and more control at the division level, while also integrating efforts for tracking and management purposes. It is the product that all of these divisions collectively produce that defines this measure and yet each division needs to be accountable for their respective part. The program restructurings occurring in FY 2005/2006 present a prime opportunity for these issues to be considered and addressed.

Program Measure 13 – Not Verified

95% of land use permit applications are reviewed within 10 days.

Reported Result: 96%

Audit staff cannot substantiate the reported result based on data provided.

This measure tracks the time it takes staff to review and respond to land use permit applicants. Staff explained that the first response is made within 10 days, but that there are usually multiple reviews per application. Information is entered into the SunGIS Planning module, which tracks the turnaround time.

Staff provided a system generated report showing that in FY 2002/2003 80% of land use permit applications were reviewed within 10 days. Staff indicated that the system used to track the review of land use permit applications in FY 2002/2003 was not properly set up to track results for this measure because it could not track multiple review dates. Staff stated that as a result, in FY 2002/2003 they reviewed results on a monthly basis and this is how they arrived at a reported result of 96%. The monthly calculation sheets have been lost.

Staff has since corrected this problem and audit staff observed the new tracking system, which appears to adequately track for multiple review periods.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

SOP was in draft form and was not consistent with the process used by staff.

The draft SOP calls for staff to take a 10% survey of land use applications on a monthly basis and to check for timeliness. However, the staff indicated that this measure was and is tracked through the SunGIS Planning module. The report generated by this system is a 100% of the application population. As a result, staff does not take a sample.

Exceptions Found with the Data:

Data submitted is inconsistent with the reported result.

Planning staff submitted a "Staff-Level Planning Permit Submittal Turnaround Report" showing that 80% of applications were reviewed within 10 days as opposed to the 96% reported. Staff explained that in FY 2002/2003 the SunGIS Planning module tracking system did not have multiple fields for keeping track of review dates so each time a review was performed and the new date was entered into the system the new date replaced the old. Staff ran monthly reports, but these have been lost.

Audit staff observed the new system and found that it now adequately tracks their review process. Staff ran a report for FY 2004/2005 through accounting period 8, which showed 89.6% of land use permits are reviewed within 10 days.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. Staff should update the SOP to reflect the current methodology used to track this measure. The SOP should specify the data source for the calculation. In addition, staff should define in the SOP what constitutes a completed review and how the results are communicated to the customer.
2. Staff should retain all documentation used to report on performance measures for a minimum of 3 to 5 years for future audit purposes of the City and longer as required by law.

Section III: Service Delivery Plan Findings and Recommendations

There are three Service Delivery Plans (SDP) in the Development Services program: Land Use Permitting, Construction Permitting, and One-Stop Counter. Each SDP is overseen by a different manager. Land Use Permitting is overseen by the Planning Division. Construction Permitting is overseen by the Building Safety Division. The One Stop Counter is overseen by a manager in the Economic Development Division.

SDP 24301 – Land Use Permitting

SDP 24301 Measure 1 – Verified with Exceptions

78% of the members of Council and Commissions supported by Community Development rate the quality of development review as meeting or exceeding expectations.

Reported Result: 100%

This SDP Measure is the same as Program Measure 1 with a slight difference in wording; Program Measure 1 only states “meeting expectations” not “meeting or exceeding expectations.” Please see the findings and recommendations for Program Measure 1.

SDP 24301 Measure 2 – Not Verified

95% of the public notices are accurate and published in accordance with City standards.

Reported Result: 95%

Audit staff cannot verify the reported result as the source data for FY 2002/2003 has been lost and the SOP requires revision.

This measure relates to the public notices that the Planning division posts in the newspaper and notices that are sent to relevant community members when a project is to take place in their area. Staff stated that they review 100% of public notice for errors and this was also the process followed in FY 2002/2003. Notices are checked for accuracy in terms of correct information being communicated to the public and for accuracy in terms of the right citizens being notified.

Staff provided a summary spreadsheet that listed the measure and the result reported for FY 2002/2003, but the supporting documentation and data for this measure was lost. The division does keep copies of all public notices and the proof sheets sent to the paper.

For the sake of comparison, audit staff obtained data from FY

2003/2004 and according to the Division's tracking file they achieved an accuracy rate of 97%. Staff also provided the tracking sheet that is currently being used.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

SOP does not reflect current practice and requires more detail.

The SOP provided was in draft form and instructed staff to take a 10% sample of notices. However, staff stated that they are checking 100% of notices.

The SOP does not identify what "City Standards" are for this measure. The draft SOP states that support staff will check, "the accuracy and timeliness of public notices." However, it does not adequately define "accuracy" or "timeliness." There is no list of criteria for evaluating the notices. It is also not clear when the notices are checked for accuracy. All of this information should be included in the SOP.

Exceptions Found with the Data:

The data for this measure was lost.

Staff stated that the source information for FY 2002/2003 was lost. As a result, audit staff cannot substantiate the reported result.

The current tracking sheet should be revised to include specific criteria for meeting the measure.

The current tracking sheet has a "notes" column, but does not identify the reasons for which a notice would be considered inaccurate or not in accordance with City standards. When talking with staff, it was difficult for audit staff to identify exactly how this result is being measured because there does not appear to be a clear procedure and list of criteria. For example, notices being "accurate" could mean that the newspaper notice matches the proof sheet or it could mean that the information in the proof sheet is correct or both. In addition, staff mentioned that sometimes they are contacted by citizens that were supposed to receive the notice, but did not. If they find that the citizen was not on the mailing list, but should have been this is counted as an error, but this is not in the SOP either.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. Staff should revise and finalize an SOP for this measure. The SOP should define or refer to defined "City standards." The SOP should provide a detailed explanation of what data should be used and how the calculation should be carried out.
2. The current tracking sheet should include specific criteria for meeting the measure. While it is good that staff currently keep a file of all newspaper notices and their proof sheets, for the purposes of tracking this measure they should also make copies of the notices that have errors and keep them in a separate file, noting any subsequent corrective action.
3. Staff should keep tracking sheets for a minimum of three years or in accordance with legal requirements.

SDP 24301 Measure 3 – Not Verified

95% of land use permit reviews are completed within 10 days.

Reported Result: 96%

This SDP Measure is the same as Program Measure 13. Please see the findings and recommendations for Program Measure 13.

SDP 24301 Measure 4 – This program measure is inactive.

SDP 24301 Measure 5 – Not Verified

95% of the project reviews and plan checks which are audited are found to meet standards for quality.

Reported Result: 95%

Note that this measure is similar to Program Measure 6, except that this measure only encompasses the Planning Division's data and does not include the Building Division's data. A full description of the audit procedures used by staff can be found under Program Measure 6.

Exceptions with the Measure:

No findings.

Exceptions with the SOP Calculation Methodology:

The methodology outlined in the SOP may not yield statistically significant results.

The SOP instructs staff to take a 10% sample of plan checks, inspections and project reviews. This is not a valid sampling methodology. The calculation of the sample size should be based on statistically accepted principles, not on a flat percentage. For example, approximately 1,500 plan checks are performed each year. In order to achieve a reasonable level of certainty that the sampled checks reflect the entire population of plan checks, a sample of 105 plan checks is required, which is 7% of the total plan checks.⁶ However, Approximately 14,000 building inspections are performed each year. Using the same confidence and error levels as above, a sample size of 113 is required, which is 0.8% of the total building inspections.

Samples also need to be random. While the SOP states the sample should be random, it does not instruct staff as to how to take a random sample. As a result, the sampling technique currently used by staff is not random, but judgmental.

The SOP does not reflect current practice.

Planning staff provided audit staff with a list of criteria they use to evaluate staff reports and a "Project Review Checklist" they use to evaluate reports and plan checks. The SOP should be updated to reflect the use of these forms, as well as the "standards" they use as defined by the various building, planning and zoning codes they are required to apply.

Exceptions with the data:

The FY 2002/2003 audit data was lost.

Planning staff were unable to produce either log sheets or a summary of the audit results for the year. Staff indicated that 100% of Administrative Hearing and Planning Commission reports were reviewed, but they are not sure how many of these met quality standards. Staff estimated that approximately 60 plan checks were audited, but again they no longer have records regarding the number that met quality standards.

Exceptions with the Calculated Result:

No findings.

⁶ This assumes staff take an Attributes Sample with a confidence level of 95% and with a +/-4% error rate.

Recommendations:

1. The SOP needs to be updated and revised to properly instruct staff on how to sample project reviews and plan checks. Staff should see Appendix C for guidelines. The SOP must also address the definition and application of quality standards. The SOP should provide a detailed explanation of what data should be used and how the calculation should be carried out.
2. Staff members need to retain all documentation relating to measure results and reporting.

SDP 24301 Measure 6 – Verified with Exceptions

An overall applicant satisfaction rating of 85% is achieved.

Reported Result: 92%

Audit staff substantiated the reported result. However, the SOP and the data used to calculate this measure should be reconsidered and revised.

Development Services staff reported achieving an overall applicant satisfaction rating of 92%. The result was obtained from the July 2003 citywide customer satisfaction survey for the following question: “How would you rate the City of Sunnyvale on the following services: issuing planning and zoning permits?”

Staff summed the 65% “favorable” responses and the 27% “neutral” responses, for a reportable result of 92%.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

The SOP requires revision.

The SOP provided for this measure was for “customer satisfaction” not “applicant satisfaction” as stated in the MBO. In addition, the SOP was in draft form and did not clearly specify a procedure. It indicates that staff will “survey customer groups associated with the development review process” but later it refers to the “External Customer Satisfaction Survey.” In the data source section of the SOP, it states that surveys will be administered by OCM. These inconsistencies should be resolved and a clear procedure laid out.

Exceptions Found with the Data:

The survey administered by the City is inappropriate for measuring this specific customer service transaction.

While the Gelfond survey is a good means for the City to capture overall impressions of its services from Sunnyvale citizens, it does not adequately capture customer satisfaction with regard to specific service transactions. For example, the survey does not ask respondents if they have obtained a planning or zoning permit with the City in the last year prior to asking the respondent to rate these services. As a result, there are likely respondents who have not obtained these services rating them, which compromises the results.

Program staff indicated they were aware of measurement problems and as a result are exploring developing and administering their own survey. They anticipate implementing this survey in FY 2005/2006.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. Staff should develop an SOP that codifies the methodology staff used to calculate the result.
2. City management should work with departmental staff to create viable ways to survey customers of specific City services. If this is not possible, then audit staff recommends the City suspend those measures which purport to convey customer satisfaction with specific services until such time as it can adequately measure them. Continuing to report on these measures without appropriate data may result in false information being used for decision-making.

An alternative is for the Program to develop its own transactional survey. If possible staff from the Planning division should coordinate with staff from other Development Services Service Delivery Plans to develop and administer such a survey.

SDP 24301 Measure 7 - Verified

The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.

Reported Result: 1.07

Audit staff substantiated the reported result of 1.07, showing that the Land Use Permitting Service Delivery Plan came in roughly 7% under budget.

Development Services staff reported a budget/cost ratio of 1.07, meaning the SDP came in roughly 7% under budget. Audit staff confirmed this result by looking at the Accounting Period 14 Management by Objective report. In FY 2002/2003, Land Use Permitting spent a total of \$1,063,124.53 compared to the \$1,142,635.59 they had budgeted.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

None

SDP 24302 – Construction Permitting

SDP 24302 Measure 1 – Verified with Exceptions

90% of all building permits with plans and minor permits are ready for issuance within one business day.

Reported Result: 93%

This SDP Measure is the same as Program Measure 4. Please see the findings and recommendations for that measure.

SDP 24302 Measure 2 – This program measure is inactive.

SDP 24302 Measure 3 – Verified with Exceptions

91% of requested inspections are completed within 24 hours of scheduled date.

Reported Result: 99%

This SDP Measure is the same as Program Measure 5. Please see the findings and recommendations for that measure.

SDP 24302 Measure 4 – Not Verified

95% of the plan checks and inspections which are audited are found to meet standards for quality.

Reported Result: 95%

Note that this measure is similar to Program Measure 6, except that this measure only encompasses the Planning divisions data and does not include the Building divisions data. A full description of the audit procedures used by staff can be found under Program Measure 6.

Exceptions with the Measure:

No findings.

Exceptions with the SOP Calculation Methodology:

The methodology outlined in the SOP may not yield statistically significant results.

The initial SOP provided to audit staff instructed staff to take a 5% sample. Later, a second SOP was provided that instructs staff to take a 2% sample of plan checks, inspections and project reviews. This is not a valid sampling methodology. The calculation of the sample size should be based on statistically accepted principles, not on a flat percentage. For example, approximately 1,500 plan checks are

performed each year. In order to achieve a reasonable level of certainty that the sampled checks reflect the entire population of plan checks, a sample of 105 plan checks is required, which is 7% of the total plan checks.⁷ However, approximately 14,000 building inspections are performed each year. Using the same confidence and error levels as above, a sample size of 113 is required, which is 0.8% of the total building inspections.

Samples also need to be random. While the SOP states the sample should be random, it does not instruct staff as to how to take a random sample. As a result, the sampling technique currently used by staff is not random, but judgmental.

The SOP does not address how to define “standards for quality.”

The measure indicates that the percentage reported reflects the proportion of the samples that “meet standards for quality.” What constitutes “quality” is not defined. The SOP does not define a standard, and there is no manual, questionnaire or checklist for use by reviewers to assess the quality of the work. Staff indicated that the “standards” are defined by the various building, planning and zoning codes they are required to apply.

Exceptions with the data:

The audit log sheets for FY 2002/2003 were thrown away.

While Building staff provided a summary spreadsheet of the results for the year (see the table below), audit staff could not verify this information as the log sheets on which this information was entered are missing for FY 2002/2003. In addition, audit staff heard conflicting accounts of what happened to these log sheets with one staff member indicating they had not begun using such sheets until the end of FY 2002/2003.

Review for Major Errors				
	Total Reviewed	Errors	% Erred	% Okay
Building Plan Check	78	2	2.56%	97.44%
Building Inspections	850	21	2.47%	97.53%
Planning			#DIV/0%	#DIV/0%
Total	928	23	2.48%	97.52%

Building’s current audit log sheets do not provide information on why the particular check or inspection did not meet quality standards.

⁷ This assumes staff take an Attributes Sample with a confidence level of 95% with a precision of +/-4%.

When Building staff audit either an inspection or a plan check, they only mark whether the inspection or plan check “met quality standard” or “did not meet quality standard.” There is no indication of why the inspection or plan check did not meet the standard, which makes it difficult to use the sheets in the future for any sort of information gathering.

Exceptions with the Calculated Result:

The reported result is not consistent with the spreadsheet staff provided.

As the table above shows, 97.5% of Building Safety division plan checks and inspections that were audited met quality standards. It is not clear why staff reported a result of 95%.

Recommendations:

1. The SOP needs to be updated and revised to properly instruct staff on how to sample project reviews and plan checks. Staff should see Appendix D for guidelines. The SOP must also address the definition and application of quality standards. The SOP should provide a detailed explanation of what data should be used and how the calculation should be carried out.
2. Staff members need to retain all documentation relating to measure results and reporting for the purposes of record keeping and complying with future audits.

SDP 24302 Measure 5 – Verified with Exceptions

90% of total building permits (on a three year rolling average) are closed.

Reported Result: 104%

This SDP Measure is the same as Program Measure 11. Please see the findings and recommendations for that measure.

SDP 24302 Measure 6 – Verified with Exceptions

88% of regular building plan checks are reviewed within 21 days.

Reported Result: 96%

This SDP Measure is the same as Program Measure 12. Please see the findings and recommendations for that measure.

SDP 02 Measure 7 – This measure is inactive.

SDP 02 Measure 8 - Verified

The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.

Reported Result: 1.02

Audit Staff substantiated the reported result of 1.02, showing the Construction Permitting Service Delivery Plan came in roughly 2% under budget.

Development Services staff reported a budget/cost ratio of 1.02, meaning this SDP came in roughly 2% under budget. Audit staff confirmed this result by reviewing the Accounting Period 14 Management by Objective report. In FY 2002/2003, Construction Permitting spent a total of \$1,872,392 compared to the \$1,911,223 they had budgeted.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

None

SDP 24305 – One-Stop Counter

This Service Delivery Plan contains several measures that attempt to quantify the level and quality of customer service provided at the One-Stop Counter. Accurately measuring the results of direct customer service is a challenging undertaking, but especially when measurements are taken by the individuals being measured.

It is the audit staff's opinion that while staff attempted to take accurate measurements, there are significant and inherent problems with having staff measure or participate in the measurement of their own customer service provision. This makes it difficult to verify their reported results and to make suggestions for improved measurement in the future.

The primary problem is one of bias. Staff members typically take measurements at times when there are fewer customers and they actually have the necessary time to take a sample, without neglecting the primary responsibility of serving the customer. As a result, performance will likely appear better than it actually is because samples are not being taken during busy periods when customer service is understandably less prompt and/or attentive.

There is also potential for bias by having staff measure themselves because they may "step up" their performance at these times. Finally, results will inherently be biased because individuals cannot objectively evaluate their own performance.

The findings and recommendations below should be viewed with the above mentioned issues in mind. Further, the recommendations provide guidelines for better practices and procedures and are based on the assumption that staff will continue to perform these measurement functions for some time because of fiscal constraints. However, audit staff maintains that while the suggested changes constitute "better" practices, they are not "best" practices. We recommend that the City consider alternative means for measuring customer service activities, as discussed at the beginning of Section II.

SDP 24305 Measure 1 – Not Verified

Initial contact with telephone customers is made within 50 seconds 70% of the time.
Reported Result: 90%

Audit staff cannot verify the reported result. The measure's SOP calculation methodology requires revision to ensure more appropriate measurement of future results.

Program staff reported that during FY 2002/2003 they did not have the

means to adequately and accurately report on this measure. Staff tracked and calculated this measure by taking a manual sample of incoming calls to the One-Stop Center. Staff determined call wait times by observing the call time reported on the phone display and recording this wait time.

Staff has since worked with the IT Department to install an automated call tracking system to monitor all incoming phone calls. This system, which uses Basic Call Monitoring System (BCMS) Vu software, will be fully operational for FY 2004/2005 and will monitor 100% of incoming calls. Staff indicated they will continue to manually monitor calls to ensure the new computer system is accurate. The findings below apply to the FY 2002/2003 results, but do not reflect current practice.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

The SOP requires revision.

The SOP for this measure states that the One Stop Permit Tech will randomly monitor calls and maintain a file with this data. However, the procedure does not specify how to take a random sample, calculate a sample size, accurately record and maintain the data, or calculate the final result.

Since the data tracking system for this measure has been drastically changed, the SOP will need to be updated to reflect these changes.

Exceptions Found with the Data:

The submitted data was not adequately documented.

Staff provided four sheets of data listing the month, the number of calls sampled, and the wait time for each call. The sheets were handwritten and did not contain actual dates and times of calls. When asked, staff could not provide any additional supporting documentation. The tally sheet provided to audit staff is not sufficient proof that the 361 calls were answered in the times reported.

The sample of calls does not constitute a random sample and may not yield a statistically significant result.

While staff indicated they attempted to take a random sample, the data shows that the sample was not random. From July 2002 to March 2003, staff recorded 20 calls from each month. In April and May of 2003, staff recorded 40 calls from each month. In June 2003, staff recorded 80 calls for a total sample of 360. As a result, almost 40%

(80+40/360 = 39%) of the calls in the sample come from the months of May and June. Therefore the sample has a disproportionate number of calls from these months. In addition, an individual cannot be relied upon to take a random sample just by attempting to be random. There is great potential for human error to bias the results. For example, staff may be more likely to sample calls when they are less busy and have time to actually track calls. However, this will likely result in biasing the sample towards shorter wait times since staff likely answer phones more quickly when they are less busy.

As the new tracking system will monitor 100% of incoming calls, there is no longer need for staff to take a sample for the purpose of measuring call wait times.

Exceptions Found with the Calculated Result:

The reported result is not consistent with the data submitted.

Staff took a sample of 361 calls and recorded 29 calls that were not answered within 50 seconds. Based on these results (332/361), staff should have reported a result of 92%. However, staff stated they did not feel confident about their sampling methodology and rounded the result down to 90%.

Recommendations:

1. Audit staff agrees with Program staff that the new computer tracking system, which monitors 100% of the incoming telephone calls and their wait times, is adequate for tracking this measure. If staff should need to manually track calls, a log should be used that records the date of each call and if possible, staff should take a screen shot showing the time it took to answer the call. Finally, staff should use the guidelines in Appendix C to calculate the appropriate sample size and collect a random sample.
2. Program staff should revise the SOP to reflect current practice and include a detailed procedure. The SOP should also specify the data source(s) to use for calculation of the result.

SDP 24305 Measure 2 – Not Verified

95% of customers are connected to the appropriate development service staff.
Reported Result: 94%

Audit staff cannot verify the reported result. Audit and Program staffs agree that this measure should be significantly revised or eliminated due to measurement issues.

The result for this measure is calculated by surveying the planner on duty at any given time and asking them to report on the number of misdirected calls they received that day. Program staff stated that this measure is supposed to provide an indication of the service performance of counter staff.

As such, staff suggested an alternative measurement procedure that would require all planners and staff receiving directed calls to rate the counter staffs' performance at the end of the year. As discussed in Section II of this report, it is difficult to obtain accurate results when having staff members measure their own performance. An alternative to this is to hire an outside organization to assess staffs' performance on these types of measures, not just in Development Services, but in other programs as well, such as Utility Billing.

Exceptions Found with the Measure:

There is no reasonable way for staff to monitor misdirected calls.

There is no feasible way to survey customers for this measure, so Counter staff survey planners that are on duty. Staff manually tracks the number of calls sent to a particular planner and then asks that planner at the end of the day how many calls were misdirected. This creates several problems. Staff members are essentially in charge of evaluating themselves and choose when they are going to be evaluated. In addition, planners are busy and may or may not accurately track the number of misdirected calls they receive. Finally, there are several different definitions that can be applied to "misdirection"; this will be discussed below.

May inaccurately portray staff performance.

Staff reported that callers often demand to be transferred to a planner immediately without informing staff of their specific needs. In order to avoid upsetting customers, staff members often forward the calls directly to the Planning division. The planner may then determine that the caller actually needs to speak with someone from another division. One-Stop staff have to make the difficult decision of when to forward the call, as requested, and when to question callers until they obtain enough information to appropriately forward the call.

Exceptions Found with the SOP Calculation Methodology:

The .SOP lacks a method of calculation and adequate data tracking procedures.

The procedure outlined in the SOP states that staff will notify planners of how many calls they received and they are then to provide the

number of misdirected calls. Planners do not keep a log of such calls so this measure relies on their memory of the calls received over the course of the day.

Exceptions Found with the Data:

The submitted data was not adequately documented.

Staff provided a summary tally sheet that shows the date, the number of calls given to an unnamed planner on duty, and the number of calls that were misdirected that day (according to the planner). However, the information on these sheets did not contain the name of the specific planner or any further back-up documentation. The tally sheet provided to audit staff is not sufficient proof that only 4 out of these 242 calls were misdirected. Staff stated that the specific planner's name was left off because they felt the results should be anonymous. However, since staff members approach planners directly, any anonymity gained by not requiring a name is lost.

The sample of calls used to calculate the result does not constitute a random sample and may not yield a statistically significant result.

While staff indicated they attempted to take a random sample, the sample only reflects calls received during three months of the year: December, January and February. In addition, the sample only reflects phone calls from a total of 7 days with a total of 242 phone calls. An individual cannot be relied upon to take a random sample. There is great potential for human error to bias the results.

As discussed in the previous measure's findings, there is no standard in this SOP or elsewhere governing the City's policy with respect to achieving statistically significant results. Staff should refer to Appendix D for guidelines on how to take the correct sample size and a random sample.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. Ideally, this measure should be evaluated by an outside organization using a technique such as a mystery shopper. However, due to budget constraints it is likely that this option will not be available for some time.

2. In the meantime, audit staff agrees with program staff that a more appropriate measure would be to measure staff performance in performing job responsibilities. This could be done, as program staff suggested, by conducting a survey of all the development services staff served by the Counter staff. For example, "Counter staff members receive a customer satisfaction rating from Development Services Staff of 90% or greater." If staff revises this measure, they should consult with the City Manager's Office and the internal audit staff to develop an appropriate calculation methodology and data collection and maintenance program.

SDP 05 Measure 3 – Not Verified

70% of counter customers are seen within 15 minutes.

Reported Result: 98%

Audit staff cannot verify the reported result. This measure requires revision so that it better reflects what is being measured and to ensure the validity of future results.

A number of customers visit the One-Stop Counter each day. The One Stop receptionist is responsible for monitoring customers and ensuring the appropriate staff member responds to the counter to provide service. The person at the front desk notes the time when a customer comes in and when they are seen by various staff. They record not only the initial time it takes for the customer to be seen, but also record the customer's wait time between seeing the various staff. This time is then recorded on tally sheets.

In FY 2002/2003, staff took a sample of customer wait times and tallied how long it took the customer to be "seen" by various staff. The sample included a total of 637 waiting periods from the months of May, June and July. Staff then determined from the tally sheets that 10 out of the 637 waiting periods exceeded 15 minutes. Staff reported a result of 98% (627/637).

Exceptions Found with the Measure:

Measure wording does not reflect what is actually being measured.

The measure indicates that it measures the number of customers that are seen within 15 minutes. However, the procedure definition states, "Throughout the year the One Stop Receptionist would monitor the time it takes staff to respond to counter." One customer may be seen by 6 different staff members in one visit to the One-Stop Counter.

Therefore the units being measured are not minutes per customer, but minutes per waiting period.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

The sample of staff response times used to calculate the result does not constitute a random sample and therefore may not yield a statistically significant result.

As with the prior two measures, staff indicated that they attempted to take a random sample, but the data collected does not represent a random sample. The sample of staff response times does not represent the entire year as it was taken only from the months of May, June and July.

Results are likely biased to reflect shorter wait times than were actually achieved.

Staff indicated that the sample taken was “mostly on slow days and not on busy days”. By only sampling on slow days, it is possible that the reported results inflate the actual performance as staff members are probably able to respond more quickly when there are less customers to service. Staff commented that the primary responsibility of counter staff is to provide good customer service. On busy days, staff members do not have time to devote to taking measurements. There is great potential for human error to bias the results.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

1. The wording of the measure should be changed to reflect that this measure reports on all wait times, not the initial wait time of a customer. For example, the measure could be changed to state “70% of the time wait times for counter customers are 15 minutes or less to see staff.”
2. Audit staff recommends sampling customers throughout the year and asking them to report on how long they waited. Appendix E provides two examples of surveys that could be administered to customers. These are only examples and may or may not adequately address the program’s measurement needs. Having

customers rate staff performance will eliminate many of the problems discussed above and will give waiting customers something to do. In addition, other customer satisfaction questions can be asked on this form. This is discussed in greater detail under SDP Measure 24305-05, "An overall customer satisfaction rating of 80% is achieved."

3. Staff should refer to Appendix D in calculating a sample size and making sure the survey is randomly administered.

SDP 05 Measure 4 - Verified

Cashier balances within \$5.00 95% of the time.

Reported Result: 100%

Audit staff verified the reported result of 100%.

The One-Stop cashier fills out a report at the end of each day and attaches back-up documentation of the revenue received and amount deposited. One-Stop staff then audits the cashier reports and sends them to staff in the Department of Finance. Finance staff then stamps the report as received and reviews the balances and amounts deposited. Additionally, the City also conducts a quarterly cash handling audit and reviews the balances from the One-Stop Counter.

Audit staff took a sample of 152 out of 250 work days in order to obtain a confidence level of 95% that the cashier balances to within \$5.00 100% of the time. Audit staff found two instances where the Deposit Transmittal forms were not balanced. However, upon further review of the Daily Cash Receipt voucher, the cash register close out tape, the bank deposits slips, and the bank statement for the two days in question, audit staff determined that the cashier was in fact balanced for these two days. It appears that there was a mistake made on the Deposit Transmittal form which included credit card revenue from other days. Regardless of the mistake on the form, the cashier was balanced as indicated by all the supporting documentation.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

None

SDP 05 Measure 5 – Verified with Exceptions

An overall customer satisfaction rating of 80% is achieved.

Reported Result: 92%

Audit staff verified the reported result, but with several significant exceptions.

Development Services staff contracted with Touch Poll Survey Solutions and acquired a touch-screen that was placed in the lobby of the One-Stop Center. The touch screen included a customer satisfaction survey for the One-Stop Counter. The results of the touch screen survey included customer responses from February 10, 2003 to February 27, 2003. The results include a total of 201 records, with only 186 records containing data. Out of the 186 records, 131 responded to the question "Please rate your overall satisfaction with our One Stop Center." The answer choices were "Very satisfied, Fairly satisfied, Neutral, Fairly dissatisfied, or Very dissatisfied." Staff included the "Very satisfied" and "Satisfied" results and reported a result of 92% (91.6%).

After two weeks, the touch-screen system was pulled from the One-Stop Center by management due to its expense. Program Staff stated that they are developing an alternative survey to administer to customers.

Exceptions with the Measure:

No findings.

Exceptions with the SOP Calculation Methodology:

SOP does not reflect the methodology used in FY 2002/2003.

The SOP states that staff should conduct a survey once a year asking customers to rate their overall satisfaction with the One-Stop. As discussed in Section II, this measure is a reflection of satisfaction with

a specific customer service transaction – service at the One-Stop. The touch poll survey was an appropriate means for obtaining this information, but the Gelfond Survey is not. Staff will need to determine an alternative survey methodology and update the SOP to reflect the new practice.

Exceptions with the Data:

The sample size may not have been adequate to achieve statistically significant results.

The statistical validity of the result reported is questionable because there were too few responses in the sample. This means that the reported results cannot be assumed to reflect the percentage of overall customers who are served by the One-Stop Center. In addition, the sample only included two weeks out of the entire fiscal year.

Exceptions with the Calculated Result:

No findings.

Recommendations:

1. Staff should develop survey questions and develop a survey plan that will yield statistically valid results. As discussed under SDP Measure 24305-03, this survey could easily be combined with a survey asking customers to report on how long they waited for service at the One-Stop Counter. See Appendix E.
2. Staff should refer to Appendix D for guidelines on how to calculate the correct sample size and how to randomly administer the survey.

SDP 05 Measure 6 - Verified

The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.

Reported Result: 1.14

Audit staff verified the reported result of 1.14, showing that the One-Stop Center Service Delivery Plan came in roughly 14% under budget.

The Period 14 MBO report shows a budget of \$247,791 and a total cost of \$217,384 for the SDP. This amounts to a result of 1.14 for the Budget/Cost ratio.

Exceptions Found with the Measure:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

None

Section IV: Specific Activity Findings and Recommendations

Several activities stem from the same data source and reflect the same product produced, but by different divisions. For example, if a land use permit application is reviewed, several divisions review the application: planning, building, WPCP, etc., but only the Planning division tracks the information. In such instances, this report combines those activities together in order to eliminate as much redundancy as possible. Because these activities have the same data source, the findings apply equally to all of them.

Activities: 243110, 243120, 243610, 243620, 243630, 243640 – Verified with Exceptions

Review Land Use Permit Applications

Product: A Land Use Permit Application Reviewed

Reported Results:

FY 2002/2003 Reported Results		
Activity No.	Division	Reported Products
243110	Planning	959
243120	Building	134
243610	Engineering	134
243620	Traffic	134
243630	Trees and Landscaping	134
243640	Water Pollution Control Plant	134

Audit staff substantiated the reported result to within 3%.

Staff provided the "Number of Planning Projects" Report showing the number of land use permit applications reviewed by Planning and other divisions.

Exception Found with the Activity:

No findings.

Exception Found with the SOP Calculation Methodology:

No findings.

Exception Found with the Data:

There is a slight discrepancy between the MBO Report and source document.

The "Number of Planning Projects" Report shows 988 land use permit applications reviewed by Planning and 135 reviewed by each of the other divisions. Staff indicated they were not sure why the number on the report was different from the reported result in the MBO, but speculated that it may be from entry errors on time cards or budget reports that were not corrected at year end.

Exception Found with the Calculated Result:

See above.

Recommendations:

1. Staff should reconcile accounting period reports with actual data on the number of land use applications reviewed at the end of the fiscal year to eliminate such discrepancies in the future.

Activity 243130 – Not Verified

Provide Land Use and Zoning Information

Product: A Customer Served

Reported Result: 16,600 customers

Audit staff cannot substantiate the reported result.

Planning staff stated that this activity is tracked by staff in Planning and at the One-Stop Counter. Planning staff stated that in FY 2002/2003 One-Stop staff kept a manual tally of customers served and then entered this information into a spreadsheet. Planning staff stated the One-Stop staff was not consistent in tallying customers served, so Planning applied a 25% error rate increasing the number of customers served from 11,255 on the tally sheet to 14,069. In addition to these 14,069 customers served, Planning kept a "tick-sheet" to track Alcoholic Beverage Control (ABC) licenses and both Planning and the One-Stop kept track of Business licenses. Planning also tracked answer point emails, phone calls and zoning letters, which were then entered on timecards. Planning staff reported that all of the original tracking sheets were discarded after the information was entered on timecards.

Exceptions Found with the Activity:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

Some of the data tracking sheets are missing from FY 2002/2003.

Planning staff stated that their tracking sheets for business and ABC licenses were discarded after entering the information on timecards.

Exceptions Found with the Calculated Result:

Reported result is not consistent with the documentation provided.

Planning staff asserted that it was known that One-Stop staff members were not capturing all of the customers being served and this led them to apply an error rate of 25%. However, there is no documentation of this and Planning did not provide adequate justification for applying an error rate of 25%. For instance, Building did not apply an error rate to their results, which were tracked in the same manner by the One-Stop.

Recommendations:

1. Management staff from the One-Stop, Building and Planning programs should collectively decide on a means for accurately tracking and reporting on measures that are being tracked by all of them.
2. Each staff member that is reporting products on their timecards, such as phone calls and emails answered, should keep a daily log of those products in order to accurately report on them. Such logs should be kept for a minimum of 3 years.
3. Management should not use the products reported for this activity for FY 2002/2003 as the basis for decision-making or comparison of results across years.

Activity 243190 – N/A

Provide Land Use Permit Administration

Product: A Work Hour

Reported Result: 1,666.81 work hours

Staff reported spending 1,666.81 work hours administering the land use permitting function. Staff records time spent on weekly timecards. There is no practical method by which audit staff could attempt to verify

hours charged. Therefore, audit staff offers no opinion as to the accuracy of these hours.

Activities: 243210, 243230, 243510, 243540, 243550 – Not Verified

Review Regular Building Plans

Product: A Regular Building Plan Reviewed

Reported Results:

FY 2002/2003 Reported Results		
Activity No.	Division	Reported Products
243210	Building Safety	131
243230	Planning	118
243510	Fire Prevention	118
243540	Engineering	80
243550	Water Pollution Control Plant	101

Audit staff cannot verify the results to within +/-5%.

Staff indicated that the result came directly from the Plan Check Turnaround Report, which lists the number of plan checks completed by the above divisions. Staff stated that each accounting period they print out the Plan Check Turnaround Report and input the number of products on a designated staff member's timecard.

Exceptions Found with the Activity:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

There is a significant discrepancy between the results reported on the MBO and those in the source report.

There is a discrepancy between the number of plan checks reported on the MBO report and the number of plan checks listed on the source report, Plan Check Turnaround Report. The table below shows the reported results for each of these reports in FY 2002/2003.

Division	MBO Reported Products	Plan Check Turnaround Reported Products
Building Safety	131	139
Planning	118	139
Fire Prevention	118	133
Engineering	80	123
Water Pollution Control Plant	101	121

Staff explained that products get entered at the end of every accounting period and sometimes this information is not complete. At the end of the year, after accounting period 13, staff runs the Plan Check Turnaround Report for the entire fiscal year and corrects any discrepancies at this time. Staff stated that often when they send their corrections to the Budget Division these corrections do not get made to the MBO Report. However, corrections of this nature are made by the Accounting Division, not the Budget Division.

Exceptions Found with the Calculated Result:

See above.

Recommendations:

1. Staff should investigate the reason their corrections were not incorporated by the Accounting Division and take steps to ensure corrections are incorporated in the future.

Activities: 243220, 243240, 243520, 243560, 243530 – Verified

Review Express/Minor Building Permit Applications

Product: An Express/Minor Building Permit Application Reviewed

Reported Results:

FY 2002/2003 Reported Result		
Activity No.	Division	Reported Products
243220	Building	3,583
243240	Planning	943
243520	Fire Prevention	444
243560	Engineering	35
243530	Water Pollution Control Plant	36

Audit staff verified the reported result to within less than 3%.

The reported result comes from the Plan Check Turnaround Report. Staff indicated that the reported figure is the sum of the total minor

permits and the express plan checks completed by Building Safety as listed on the report. There were only slight discrepancies between plan checks reported in the MBO report and those in the Plan Check Turnaround Report.

Exceptions Found with the Activity:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

See above.

Recommendations:

None

Activity 243290 – N/A

Provide Construction Permitting Administration

Product: A Work Hour

Reported Result: 3,444 work hours

Staff records time spent on Construction Permitting Administration onto weekly timecards. There is no practical method by which audit staff could attempt to verify hours charged. Therefore, audit staff offers no opinion as to the accuracy of these hours.

Activity 243250 – Verified

Close Building Permits

Product: A Permit Closed

Reported Result: 3,635 building permits closed

Audit staff verified the reported result to within 3%.

Staff indicated that the reported figure came from the “Closed Building and Fire Only Permits” report. There is a slight discrepancy between the number of closed building permits listed on the source document and the number reported in the MBO Report, which is not statistically significant. The Closed Building Permits report lists a total of 3,742 closed building permits, not the 3,635 reported. The reason for the discrepancy is undetermined.

Exceptions Found with the Activity:

No findings.

Exceptions Found with the SOP Calculation Methodology:

No findings.

Exceptions Found with the Data:

No findings.

Exceptions Found with the Calculated Result:

No findings.

Recommendations:

None

Activity 243260 – Not Verified

Provide Building Information

Product: A Customer Served

Reported Result: 21,285 customers served

SOP needs to be revised to reflect current practice.

Staff reported that this activity is tracked by the staff at the One-Stop Counter. Building Safety staff indicated they thought this measure only tracked phone calls, but the SOP indicates that it is supposed to track phone calls, customers helped at the counter, in the field and over email. Staff provided the summary log sheets they received from the One-Stop Counter.

The log sheets provide information on customers served at the counter and the number of phone calls answered by Building Safety staff.

According to the log sheet, Building Safety staff served 3,977 customers at the counter in FY 2002/2003 and answered 26,832 phone calls for an overall total of 30,809 customers served. It is not clear why none of these totals match the products reported.

Exceptions Found with the Activity:

No findings.

Exceptions Found with the SOP Calculation Methodology:

SOP needs to be updated to reflect current practice.

The procedure for recording customer contacts specified by the SOP is not consistent with actual practice. The SOP indicates that staff members are to record phone calls, emails and face-to-face interactions with customers on timecards. However, staff stated that the reported result only reflects customers seen at the One-Stop Counter and phone calls received by the One-Stop Counter.

Exceptions Found with the Data:

There is a discrepancy between the number of customers served as reported and the number shown on the source document.

The summary provided to audit staff shows a total of 30,809 customers served by the Building Division. The reason for the large discrepancy between the 30,809 on the source document and the 21,285 as reported is undetermined.

Exceptions Found with the Calculated Result:

See above.

Recommendations:

1. Staff should investigate the reason for the discrepancy between the source data and the reported products and ensure that the two match in future reporting.
2. Staff should update the SOP to reflect the current practice for recording and reporting on this measure. The SOP should specify what this measure tracks, who tracks it and how.
3. Each staff member that is reporting products on their timecards, such as phone calls and emails answered, should keep a daily log of those products in order to accurately report on them. Such logs should be kept for a minimum of 3 years.

4. Management staff from the One-Stop, Building and Planning programs should collectively decide on a means for accurately tracking and reporting on measures that are being tracked by all of them.
5. Management should not use the products reported for this activity for FY 2002/2003 as the basis for decision-making or comparison of results across years.

Activity 243999 – This activity is inactive.

Making Our Workplace Better

Product: Work Hours

Activity 243800 – Verified with Exceptions

Answer Phones

Product: A Customer Served

Reported Result: 26,581.7 customers served

Audit staff verified the reported result with several exceptions. One-Stop staff members need to check products reported in the MBO against products in their log every accounting period.

Staff provided three different log sheets of information that stem from the same manual log kept at the One-Stop Counter front desk. Program staff explained that they track the information on different log sheets so they can see the information broken out by month and by week. Audit staff found inconsistencies between the log sheets that program staff could not explain. In addition, none of the log sheets match the reported result. The most reliable log sheet shows a total of 36,051 phone calls answered in FY 2002/2003 as opposed to the 26,581.7 reported result.

Audit staff found that the MBO reported result reflects not just products but 546.7 work hours as well. Budget staff found that during the first three accounting periods of the year the system had products equaling work hours, so any products reported by the program during these three periods would not have been recorded. It is not clear why this feature was activated, but this may account for the discrepancy found between the number of products reflected in the program's log and those found in the MBO report.

Accounting Periods roughly equate to months and for the first three months of the year, the program log shows the products equal to 9,510. This total added to the products recorded by budget for the remainder of the year (26,035) equals a total product count of 35,545.

For FY 2004/2005 the One-Stop Counter is now equipped to track phone calls received and answered using the BCMS Vu software system. They are also manually tracking phone calls to make the sure the system is working and to continue providing information on phone calls broken down by division.

Exceptions with the Activity:

The product is inconsistent with the activity.

The activity is answering phones, but the product is “a customer served.” This may be confusing as other activities’ products are “a customer served”, such as providing information to a customer at the One-Stop Counter. The product should match the activity whenever possible.

Exceptions with the SOP Calculation Methodology:

The SOP product is not the same as that in the MBO.

The current SOP states the product is “a phone call answered” not “a customer served”. The SOP should be updated to reflect what is being measured and reported.

Exceptions with the Data:

Staff currently uses three different summary log sheets.

Staff stated they use three log sheets in order to have the same data reflect different time periods – weeks versus months. However, the data in these log sheets are not consistent with each other even though they supposedly come from the same data source.

Exceptions with the Calculated Result:

Products reported in the MBO are inconsistent with the source data.

As discussed in the introduction to this activity, the reported result represents products and work hours. In addition, the number of products reported does not include products for three accounting periods, so it is likely that the product count would be close to that shown in the log.

Recommendations:

1. Audit staff agrees with program staff that use of the BCMS Vu software system is preferable to having staff manually track each incoming phone call for the purpose of reporting on this activity. However, One-Stop staff also provide information to Building Safety and Planning on the number of calls they receive, so management will need to determine if it wants to continue to double count these products and report them in multiple activities.
2. Management staff needs to check the products reported in the MBO each accounting period against the products recorded by staff and correct any discrepancies on an ongoing basis.
3. Management should change the products for this activity to a phone call answered instead of a customer served. This will help to distinguish these products from those in other activities where customers are served in person.
4. If staff members continue to use log sheets, they should consolidate the weekly and monthly information into one log sheet to eliminate discrepancies.

Activity 243801 – Verified with Exceptions

Reception/Cashier Station

Product: A Customer Served

Reported Result: 12,758.9 customers served

The same log and summary log sheets described above, also provide the results for this measure. Again, Budget found that for the first three accounting periods, products equaled work hours. The actual products reported, according to the MBO report, total 12,256 and added to this were 502.9 work hours. However, unlike the scenario above, the log sheets provided by the Program show a total number of products of 12,734, which is fairly close to those reported in the MBO. It is not clear why there is not more of a discrepancy if products were not recorded for the first three accounting periods.

The same findings and recommendations for Activity 243800 apply to Activity 243801. Please see above.

Activity 243802 – N/A

Provide One-Stop Permit Administration

Product: A Work Hour

Reported Result:

Staff records time spent on One-Stop Permit Administration onto weekly timecards. There is no practical method by which audit staff could attempt to verify hours charged. Therefore, audit staff offers no opinion as to the accuracy of these hours.

Appendix A

Fees Collected and Uncollected for Projects with 3rd, 4th, 5th, 6th, and 7th Plan Check Submittals in FY 2002/2003

Project I.D.	Building Permit Fee	Number of Submittals	3 rd Submittal Plan Check Fees Assessed	Submittal fees that should have been collected (20% of building permit fee for 3 rd and subsequent submittals)				
				For the 3 rd Submittal	For the 4 th Submittal	For the 5 th Submittal	For the 6 th Submittal	For the 7 th Submittal
2001-3308	\$522.55	3	\$0	\$104.51	N/A	N/A	N/A	N/A
2001-3485	\$1,503.35	3	\$109.76	\$300.67	N/A	N/A	N/A	N/A
2002-0761	\$1,021.75	3	\$0	\$204.35	N/A	N/A	N/A	N/A
2002-1181	\$17,770.55	3	\$0	\$3,554.11	N/A	N/A	N/A	N/A
2002-1182	\$4,915.25	3	\$0	\$983.05	N/A	N/A	N/A	N/A
2002-2776	\$986.75	3	\$0	\$197.35	N/A	N/A	N/A	N/A
2002-2947	\$19,022.50	3	\$0	\$3,804.50	N/A	N/A	N/A	N/A
2002-3465	\$1,111.35	3	\$0	\$222.27	N/A	N/A	N/A	N/A
2002-3526	\$321.25	3	\$0	\$64.25	N/A	N/A	N/A	N/A
2002-3670	\$1,620.95	3	\$0	\$324.19	N/A	N/A	N/A	N/A
2002-3671	\$993.75	3	\$0	\$198.75	N/A	N/A	N/A	N/A
2002-3819	\$2,276.15	3	\$0	\$455.23	N/A	N/A	N/A	N/A
2002-3844	\$1,307.35	3	\$0	\$261.47	N/A	N/A	N/A	N/A
2002-3974	\$1,049.75	3	\$0	\$209.95	N/A	N/A	N/A	N/A
2002-4201	\$909.75	3	\$0	\$181.95	N/A	N/A	N/A	N/A
2002-4423	\$1,273.75	3	\$0	\$254.75	N/A	N/A	N/A	N/A
2002-4652	\$1,268.15	3	\$0	\$253.63	N/A	N/A	N/A	N/A
2002-4864	\$8,492.25	3	\$0	\$1,698.45	N/A	N/A	N/A	N/A
2002-4925	\$1,212.15	3	\$0	\$242.43	N/A	N/A	N/A	N/A
2002-4945	\$5,951.85	3	\$0	\$1,190.37	N/A	N/A	N/A	N/A
2002-4961	\$1,128.15	3	\$0	\$225.63	N/A	N/A	N/A	N/A
2002-5023	\$1,721.75	3	\$0	\$344.35	N/A	N/A	N/A	N/A
2002-5208	\$2,561.75	3	\$0	\$512.35	N/A	N/A	N/A	N/A
2002-5381	\$1,105.75	3	\$106.40	\$221.15	N/A	N/A	N/A	N/A
2002-5477	\$1,833.75	3	\$0	\$366.75	N/A	N/A	N/A	N/A
2003-0397	\$1,077.75	3	\$0	\$215.55	N/A	N/A	N/A	N/A
2003-0415	\$1,850.55	3	\$0	\$370.11	N/A	N/A	N/A	N/A
2003-0451	\$1,288.75	3	\$0	\$257.75	N/A	N/A	N/A	N/A
2003-1279	\$1,486.55	3	\$0	\$297.31	N/A	N/A	N/A	N/A
2003-1810	\$755.75	3	\$0	\$151.15	N/A	N/A	N/A	N/A
2002-2772	\$2,729.75	4	\$0	\$545.95	\$545.95	N/A	N/A	N/A
2002-2926	\$11,331.95	4	\$0	\$2,266.39	\$2,266.39	N/A	N/A	N/A
2002-3089	\$1,637.75	4	\$0	\$327.55	\$327.55	N/A	N/A	N/A
2002-3449	\$1,200.95	4	\$0	\$240.19	\$240.19	N/A	N/A	N/A
2002-4542	\$1,643.35	4	\$0	\$328.67	\$328.67	N/A	N/A	N/A
2002-4543	\$1,643.35	4	\$0	\$328.67	\$328.67	N/A	N/A	N/A
2002-4544	\$993.75	4	\$0	\$198.75	\$198.75	N/A	N/A	N/A
2002-5229	\$1,542.55	4	\$0	\$308.51	\$308.51	N/A	N/A	N/A
2002-5230	\$1,542.55	4	\$0	\$308.51	\$308.51	N/A	N/A	N/A
2002-5231	\$1,508.95	4	\$0	\$301.79	\$301.79	N/A	N/A	N/A
2000-4211	\$41,853.25	5	\$3,929.73	\$8,370.65	\$8,370.65	\$8,370.65	N/A	N/A
2002-2760	\$4,563.75	5	\$0	\$912.75	\$912.75	\$912.75	N/A	N/A
2002-5363	\$2,595.35	5	\$0	\$519.07	\$519.07	\$519.07	N/A	N/A
2002-5364	\$3,571.00	5	\$0	\$714.20	\$714.20	\$714.20	N/A	N/A
2003-0159	\$13,664.30	5	\$0	\$2,732.86	\$2,732.86	\$2,732.86	N/A	N/A
2002-3172	\$1,766.55	6	\$0	\$353.31	\$353.31	\$353.31	\$353.31	N/A
2002-3173	\$1,811.35	6	\$0	\$362.27	\$362.27	\$362.27	\$362.27	N/A
200-23171	\$1,811.35	7	\$0	\$362.27	\$362.27	\$362.27	\$362.27	\$362.27
Total			\$4,145.89	\$37,150.69	\$19,482.36	\$14,327.38	\$1,077.85	\$362.27

Total plan check resubmittal fees that should have been collected:

\$72,400.55

Minus plan check resubmittal fees collected:

\$ 4,145.89

Total uncollected plan check resubmittal fees for FY 2002/2003

\$68,254.66

Appendix B: Unpaid Plan Check Fees in FY 2002/2003

Plan Check Fees Calculated but not Collected in FY 2002/2003	
Project No.	Plan Check Fee
2002-3592	\$499.63
2002-3681	\$499.63
2002-4716	\$87.68
2002-5383	\$126.88
2003-1956	\$107.28
Total	\$1,321.10

Appendix C: Identified Projects with Plan Check Submittal and Completion Dates Changed

Table 1: Plan Check Submittal Dates Changed

Project No.	Plan Check Paid for on Initial Submit Date?	Turnaround Time Before Initial Submit Date Changed	Turnaround Time After Submit Date Changed	Type of Check	Audit Staff Able to Substantiate Staff Explanation?
2002-5301	Yes	14 days	1 day	Express	No
2002-4615	No Fee Calculated	25	21	Regular	Yes
2003-0142	Yes	18	1	Express	No
2003-0847	Yes	28	1	Express	No
2003-0848	Yes	28	1	Express	No
2002-4494	No Fee Calculated	24	21	Regular	Yes
2002-5060	No Fee Calculated	1	5	Regular	No
2003-0095	Yes	1	-60	Regular	No
2003-0159	No	35	27	Regular	Yes
2003-0260	No Fee Calculated	19	21	Regular	Yes
2003-0386	No	6	1	Express	Yes
2003-0712	No	6	1	Express	No
2003-1021	No	47	27	Regular	Yes
2003-1070	No Fee Calculated	34	20	Regular	Yes
2003-1427	No	22	20	Regular	Yes
2003-1607	No Fee Calculated	25	5	Regular	Yes

Table 2: Plan Checks with Delayed Completion Date Entries

Project No.	Days It Took To Complete Check (using the delayed entry date)	Difference between the Completion Date Entered and the Date it was Entered	Date Changed by Administrative Staff Member?	Type of Check	Audit Staff Able to Substantiate Staff Explanation?
2002-3681	1	2 months	Undeterminable	Express	No
2002-3745	1	6 months	No	Express	No
2002-4025	1	5 days	No	Express	No
2002-4126	1	5 months	Yes	Express	Yes
2002-4549	1	5 weeks	Undeterminable	Express	No
2002-4906	1	2 months	Undeterminable	Express	No
2002-4964	-1	1	Undeterminable	Express	No
2002-5019	1	2 months	Yes	Express	Yes
2002-5081	1	2 months	Yes	Express	Yes
2002-5167	1	2 months	Yes	Express	Yes
2002-5195	1	2 months	Yes	Express	Yes
2002-5247	1	2 months	Undeterminable	Express	No
2002-5391	1	2 months	No	Express	No
2003-0015	1	5 days	Undeterminable	Express	No
2003-0036	1	2 weeks	No	Express	No
2003-1234	1	29 days	Yes	Express	Yes
2003-1284	1	5 months	Undeterminable	Express	No
2003-1357	1	6 months	Undeterminable	Express	No

Appendix D: Statistical Sampling Guidelines

Several performance measures require staff to take random samples. This Appendix provides guidelines for calculating a statistically significant sample size and on how to conduct a random sample.

Calculating Sample Size

The purpose of sampling is to look at a portion of a population and be able to make conclusions about that population with a degree of certainty. There are several types of sampling and the type of sampling you perform depends on what you are looking at and what you are trying to determine. For example, a manufacturer might sample the diameter of machinery parts to make sure that quality is consistent throughout the machine parts and they are all close to the specified size.

The type of sampling being performed by Development Services primarily uses a dichotomous scale. For example, the phone call was or was not answered within 50 seconds, the plan check did or did not meet quality standards, the customer did or did not wait 15 minutes or less, etc. This type of sampling is referred to as attribute sampling because you are checking to make sure that the specified attribute was or was not present.

After determining what type of sampling technique you are going to apply, you need to decide on an acceptable confidence level. The confidence level relates to the degree of certainty you have that the sample you took accurately reflects the population. The most commonly used confidence level is 95%. For example, if I use a 95% confidence level when calculating my sample size, it means that I am 95% confident that the results of the sampling are a true representation of the population. You will never have a confidence level of 100%. To be 100% sure that the sample reflects the true population you would need to examine the entire population.

In addition to the confidence level, you select a precision rate. Precision tells you the range within which your estimate of the population characteristic (your sample results) will fall at the confidence level you have chosen. An example is the best way to illustrate these concepts.

Assume I take a sample of plan checks to see whether they have met or not met quality standards. I calculate my sample size using a 95% confidence level and a precision of $\pm 4\%$. If the sample yields a result of 92% of plan checks meeting quality standards, then I am 95% confident that 92% of the entire population of plan checks met quality standards $\pm 4\%$. The plus or minus 4% indicates that the true percentage of plan checks meeting quality standards could be as little as 88% or as great as 96%.

The following is a table of correct attribute sample sizes for various population sizes. This table assumes a confidence level of 95% and presents two precision percentages – +/-3 and +/- 4. You will note that the sample size is greater when using a precision of +/-3% because you are trying to be more precise in your estimation of the true population.

Sample Sizes for Attributes Sampling Confidence Level of 95%		
Population Size	Sample Size with a precision of +/-3%	Sample Size with a precision of +/-4%.
2,500	187	109
5,000	194	111
7,500	197	112
10,000	198	112
12,500	199	113
15,000	200	113
17,500	200	113
20,000	200	113
22,500	200	113
25,000	201	113
27,500	201	113
30,000	201	113

Random Sampling

Once you have calculated the appropriate sample size, you need to develop a way to take the sample. Random samples provide the greatest certainty that the results of the sample will be representative of the population. If the population is composed of distinct subgroups, then you should consider taking a stratified sample, which is discussed in more detail below.

Random samples can be drawn using a list of random numbers, if the population itself is sequentially numbered. For example, Development Services assigns a number to each project and you could take a sample of these projects by using a random number table.⁸

If the population is not numbered, then you could take a random sample using interval sampling. For example, if you know that approximately 50 customers visit the One Stop Counter each day and you determine you need to sample 5 customers per day, you would look at every 10th customer.

In addition, managers should think about their population and the things that affect the population in developing the sampling plan. For example, if looking at plan check turnaround times, are certain times of the day, month, or year busier than

⁸ Such tables can be found in any statistics textbook or even on many websites. This table comes from the following source: Ratcliff, Richard L., Ph.D., CIA; Wanda A. Wallace, Ph.D., CIA, CPA, CMA; James K. Loebbecke, CPA; William G. McFarland, CPA; *Internal Auditing Principles and Techniques*, The Institute of Internal Auditors

others? If so, then you would want to make sure that your sample was drawn from each month of the year, different times of the day and different times of the month.

If the population is composed of subgroups, then a stratified sample might be more appropriate. For example, if the building inspector is auditing inspections performed by building staff, the inspector may want to look at the inspections performed by each staff member as a separate group. Once the population of inspections has been stratified by the staff member performing the inspection, the building inspector would take a random number sample or an interval sample from that sub-population.

Finally, staff should consult with audit staff when creating their sampling plan.

Appendix E: One-Stop Survey Examples

Example 1:

Please help us improve our customer service by telling us about your experience here at the One-Stop. Please mark the time each staff member begins and completes the review of your plans and answer the questions that follow. Thank you for your time and the opportunity to serve you!

Date: _____		Time: _____	For Department Use
<input type="checkbox"/> Building Safety	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> Planning	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> WPCP	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> Engineering	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> Structural	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> Fire	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> Trees & Landscaping	Check Started: _____	Check Completed: _____	Wait: _____
<input type="checkbox"/> Other _____	Check Started: _____	Check Completed: _____	Wait: _____

A brief survey for transactional customer satisfaction could be included here.

Example 2:

Please help us improve our customer service by telling us about your experience here at the One-Stop. Please answer the questions below and mark approximately how many minutes you waited between checks for each staff member to begin the review of your plans. Thank you for your time and the opportunity to serve you!

Date: _____			Time: _____	
<input type="checkbox"/> Building Safety	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> Planning	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> WPCP	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> Engineering	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> Structural	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> Fire	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> Trees & Landscaping	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.
<input type="checkbox"/> Other _____	<input type="checkbox"/> 0 to 5 min.	<input type="checkbox"/> 6 to 10 min.	<input type="checkbox"/> 11 to 15 min.	<input type="checkbox"/> More than 15 min.

A brief survey for transactional customer satisfaction could be included here.

Appendix F

Departmental Response to the Development Services Program (243) Review FY 2002/2003

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
General Program Findings and Recommendations		Inadequate or incorrect statistical sampling procedures were found in many of the Program's SOP procedures.	The City should contract with an independent consultant to develop guidelines for achieving statistically significant results to be used by all departments.	We understand that this is a City-wide recommendation which requires response from the Office of the City Manager. Although the Department does not have the resources to retain such a consultant, we would welcome the input of this expertise. In the meantime, we believe that the Statistical Sampling Guidelines provided by the Audit staff in Appendix D will be useful.	The Auditor will work with the Office of the City Manager to Implement.
		There were problems of bias caused by staff measuring their own performance in some of the Program's measures.	The City should explore having an independent consulting group track some of the more difficult customer service measures that appear in several departments.	This is also a City-wide recommendation which cannot be implemented independently by the Department.	The Auditor will work with the Office of the City Manager to Implement.
		In general, results were poorly documented and there was a lack of clear record keeping procedures.	Program Management should develop written procedures for documenting and maintaining records. Documentation for program measure results should be kept for a minimum of three years.	We agree and will modify the SOPs. We have created centralized computer and physical files to retain all records in a central location for at least three years.	Implement
		Plan check fees for third and subsequent submittals totaling \$68,254.66 were not assessed or collected.	Staff should assess plan check fees in accordance with the City's Municipal Code and Fee Schedule, specifically as they relate to third and subsequent plan reviews. If management does not feel these fees are appropriate, then the Fee Schedule and Municipal Code should be revised to reflect any changes.	We will initiate revisions to the Fee Schedule and Municipal Code as recommended. When we introduced the fee for third and subsequent submittals in 1999, it was intended to penalize those few applicants who continuously resubmit plans without addressing the required corrections, and that is how it has been administered.	Continue to collect fees or revise fee schedule.

OUTCOME. LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		Plan check fees are not collected up front.	Staff should comply with the Municipal code and obtain payment for plan reviews during the customer's initial visit. If staff members remain concerned about customer service they could explore requiring appointments for express plan checks or assess when a customer comes to the One-Stop if they will be able to complete the check that day. If not, then they should have the customer return the following day.	<p>We disagree with the recommendation. Like most other jurisdictions, we collect the fee when the permit is issued. A significant activity at the One Stop Counter is to "Provide Building Information" (Activity 243260, budgeted at \$200,000), which includes reviewing and advising on plans before the customer is prepared to pull a permit. Practically all of these plans are eventually submitted, permits issued, and fees collected. In fact, of 1296 plans reviewed at the counter, Audit staff identified only five which did not eventually pay a fee. Our building permit fees are set so as to recover the full cost to "Provide Building Information."</p> <p>A hallmark of the City's building safety services and a significant component of our Economic Development Strategy is to provide excellent customer service and quick turn-around times. Collection of a fee when the customer makes first contact would be a step backwards in customer service and would also reduce staff efficiency by requiring staff to estimate the fee before the plans are checked and collect two payments rather than one. Requiring an appointment for express plan check (such as in San Jose and Santa Clara County, two jurisdictions whose service levels we do not wish to emulate) would be a major step backwards in customer service.</p>	Do not implement at this time. The Finance Department will be conducting a review of the Program's internal controls and the calculation and collection of fees in FY 2005/2006.

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		Program is lacking policies and procedures for key areas.	Program management should develop policies and procedures to inform staff of appropriate uses of the SunGIS Building, Planning, and Code Compliance Modules. Such procedures should include guidelines for entering data and making changes to data.	We agree and are developing policies and procedures for each module, including guidelines for entering data and data corrections.	Implement
			Program management should create a training program for new staff that includes checklists of the information that needs to be covered before someone is authorized to begin entering information in the system.	We agree and will strengthen our training of new staff members, including check lists.	Implement
		Audit staff found numerous instances of dates being changed in the computer system.	Only Program designees should be able to make changes to dates that mark the completion of work, such as plan checks, and building inspections. In addition, when administrative staff makes these changes they should provide a summary of the changes made with an explanation attached. This summary should be included in the monthly exception report that is already generated to capture other changes in the system. This report goes to the program director.	We agree and will work with Information Technology to implement the recommendation.	Implement
		Staff members have the capability of anonymously entering and changing information in the computer system.	Management and program staff should develop a means for identifying who enters information into the SunGIS system and eliminate anonymous entry of information. Audit staff has not recommended reintroducing the "hot key" feature as program staff stated this is not a viable solution and would impede their ability to provide efficient and fast customer service. However, some other process or system feature should be added to address this issue.	We agree and will work with Information Technology to create a feature to require users to enter a password and reason for change, which will be included in the monthly exception report. The ability to make such changes will remain limited.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
Program Measure Findings and Recommendations					
Program Measure	1 – 78% of the members of City Council and Commissions supported by Community Development rate the quality of development review process as meeting expectations.	The SOP does not adequately address calculation of the measure.	Staff should revise the SOP to specify when the survey will be administered to Council and Commission members, who will administer the survey and by what means, what response value constitutes “meeting expectations”, and how to calculate the reported result.	We agree and will revise the SOP.	Implement
		Staff needs to consistently administer the survey and obtain a greater response rate.	Staff should achieve a 100% response rate on these surveys as the total number of respondents is only 14 people. If necessary, staff should work with the Office of the City Manager to achieve this response rate	In most years, 90-100% return rate has been experienced; the audited year was an exception because Planning Commission had been surveyed 3 times previously and “objected” to the frequency of surveys.	Implement
		If staff continues to survey Council and Commission members multiple times per year, they should include the results from all survey periods in the final reported result.	We agree.	Implement	
Program Measure	2 – 85% of the members of City Council and Commissions supported by Community Development rate the completed development projects as meeting expectations with approved concept plans.	The same surveys referenced above are used to obtain the results for this measure. The same findings and recommendations apply.		The same responses apply.	Implement
Program Measure 3 is inactive.					
Program Measure	4 – 90% of all building permits with plans and minor building permits are ready for issuance within one business day.	The wording of the measure requires revision. The measure should state “same day” not “within one day.”	Staff should revise the measure wording to state that “90% of all building permits with plan and minor permits are reviewed the same day as applied for.”	We agree and will revise the wording.	Implement
Program Measure	5 – 91% of requested inspections are completed within 24 hours of the request.	The wording of the measure requires revision. The current wording understates staff performance.	Staff should change the wording of the measure to reflect that the vast majority of inspections are completed on the day they are scheduled.	We agree and will revise the wording.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		Schedule and inspection dates were altered in the system. However, due to the relatively small number of changes made to inspection dates, less than 0.2% of inspection completed, audit staff still verified the reported result.	Management should change the system, so that changes to inspection dates, not to be confused with scheduled dates, can only be made by administrative staff.	We agree and will make the necessary change.	Implement
		The title of the data tracking report needs to be changed. The report does not track the number of inspections "completed by next business day" as it indicates, but the number of inspections completed on the <i>same day</i> they were scheduled.	The title of the report should be changed to accurately reflect the data represented in the report.	We agree and will work with Information Technology to change the report title to "Number of Inspections Completed as Scheduled."	Implement
		The result was 99.65%, but staff rounded down to 99%.	Staff should consistently apply rounding principles across measure so results can be consistently compared over time.	We agree. The cited example was an error.	Implement
Program Measure	6 – 95% of the project reviews, plan checks and inspections which are audited are found to meet standards for quality.	The methodology outlined in the SOP may not yield statistically significant results. It instructs staff to take a 2% sample.	Staff should randomly select samples for review and properly calculate a statistically significant sample size. See Appendix C	We agree. Sample sizes will be based on Appendix D table.	Implement
		The SOP does not address how to define "standards for quality."	Staff should develop some general standards against which the quality of work may be assessed. The standards should then be incorporated into the review process with the reviewer specifically identifying why the plan check or inspection did not meet quality standards.	We agree. Such standards are being developed and implemented.	Implement
		Building's current audit log sheets do not provide information on why the particular check or inspection did not meet quality standards.		We agree. Additional information will be added.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		No documentation was provided to support the reported result by either division.	Staff should retain all documentation used to report year-end results. This includes copies of samples drawn, reviewers' notes, log sheets, etc. In addition, staff members need to include in their list both projects that have met quality standards and not met quality standards. The Planning division provided a sample of the record they are currently keeping and it did not include projects they reviewed that met quality standards. This should be corrected	We agree and have taken steps to more carefully and completely maintain records.	Implement
		The reported result may or may not include data from the Planning division's audits.	If a significant piece of information is missing – such as the Planning data was absent from the FY 2002/2003 calculation – staff should in future years either report the result as N/A or footnote the result to indicate that it is based on partial data.	We agree.	Implement
			Due to the lack of documentation and confusion about which data was included in the reported result, management should not use the reported result as the basis for decision-making or comparison of results across years.	We agree.	Implement
Program Measure 7 is Inactive.					
Program Measure	8 - An overall customer satisfaction rating of 85% is achieved.	The signed SOP is missing Methodology and Data Source Sections.	Staff should develop an SOP that specifies which survey questions are to be used to calculate the result and whether to average data across two years or use the most recent survey.	We agree and will revise the SOP.	Implement
Program Measure 9 is inactive.					
Program Measure	10 – The Budget / Cost ratio is at 1/0.	No findings.	N/A	N/A	N/A
Program Measure	11 – 90% of total building permits (on a three-year average) are closed.	SOP does not reflect the current data sources being used.	The SOP should be updated to reflect the actual sources of data used to make the calculation.	We agree and will update the SOP.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
Program Measure	12 – 88% of regular building plan checks are reviewed within an average 21 days.	Staff only reported the performance of the Building Safety division instead of the performance of all the divisions involved in completing plan checks.	Audit staff agrees with Program staff that this measure needs to be reported on two levels: the turnaround time for all divisions and the turnaround time for each individual division. Management staff from Development Services and the other involved divisions will need to determine how to provide for accountability and more control at the division level, while also integrating efforts for tracking and management purposes. It is the product that all of these divisions collectively produce that defines this measure and yet each division needs to be accountable for their respective part. The program restructurings occurring in FY 2005/2006 present a prime opportunity for these issues to be considered and addressed.	We agree that two reporting levels are necessary. In order for Development Services to be accountable for the collective measure, individual measures for each related department/division are necessary. This is needed since Development Services managers do not control the resources or work priorities for other departments/divisions.	Program management staff should work with the management staff from Public Works and Public Safety to implement.
		Plan check submittal and completion dates were changed.	A field should be added to the project acceptance screen that distinguishes between when project information is input to calculate fees and when a project is submitted for a plan check.	The recommended field already exists in the "Plans" screen. We will make modifications to the SunGIS Module as recommended in the "General Program Findings and Recommendations" to provide authorization and require a reason for plan check submittal date and completion date changes.	Implement
			Changes to dates and fees should be noted in the weekly exception report that is already reviewed and signed by the Superintendent of Building Inspections. This exception report currently provides information on the permit fees that have been changed or refunded, but should be expanded to include this additional information.	We agree and will work with Information Technology to expand the existing report.	Implement
			Due to the implications of altering data in the system, all personnel using the SunGIS system should be counseled against deliberate alteration of dates or other information.	We agree. Employees will be reminded and access will be limited.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		Staff can enter information into the system anonymously.	Management and program staff should develop a means for identifying who enters information into the SunGIS system and eliminate anonymous entry of information. Audit staff has not recommended reintroducing the "hot key" feature as program staff stated this is not a viable solution and would impede their ability to provide efficient and fast customer service. However, some other process or system feature should be added to address this issue.	We agree and will work with Information Technology to create a feature which would require users to enter a password and reason for change, which will be included in the monthly exception report. The ability to make such changes will remain limited.	Implement
Program Measure	13 – 95% of land use permit applications are reviewed within 10 days.	SOP was in draft form and was not consistent with the process used by staff.	Staff should update the SOP to reflect the current methodology used to track this measure. The SOP should specify the data source for the calculation. In addition, staff should define in the SOP what constitutes a completed review and how the results are communicated to the customer.	We agree and will update the SOP.	Implement
		Data submitted is inconsistent with the reported result.	Staff should retain all documentation used to report on performance measures for a minimum of 3 to 5 years for future audit purposes of the City and longer as required by law.	We agree and have taken steps to more carefully and completely maintain records.	Implement
SDP 24301 – Land Use Permitting	1 – 78% of the members of Council and Commissions supported by Community Development rate the quality of development review as meeting or exceeding expectations.	This SDP measure is the same as Program Measure 1. Please see the findings and recommendations for Program Measure 1.		See response to Program Measure 1.	Implement
SDP 24301 – Land Use Permitting	2 – 95% of the public notices are accurate and published in accordance with City standards.	SOP does not reflect current practice and requires more detail.	Staff should revise and finalize an SOP for this measure. The SOP should define or refer to defined "City standards." The SOP should provide a detailed explanation of what data should be used and how the calculation should be carried out.	We agree and will revise the SOP.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		The current tracking sheet should be revised to include specific criteria for meeting the measure.	The current tracking sheet should include specific criteria for meeting the measure. While it is good that staff currently keep a file of all newspaper notices and their proof sheets, for the purposes of tracking this measure they should also make copies of the notices that have errors and keep them in a separate file, noting any subsequent corrective action.	We agree and will revise tracking sheet and SOP.	Implement
		The data for this measure was lost.	Staff should keep tracking sheets for a minimum of three years or in accordance with legal requirements.	We agree and have taken steps to move carefully and completely maintain records.	Implement
SDP 24301 – Land Use Permitting	3 – 95% of land use permit reviews are completed within 10 days.	This SDP measure is the same as Program Measure 13. Please see the findings and recommendation for Program Measure 13.		See Department response to Program Measure 13.	Implement
SDP 24301 Measure 4 is inactive.					
SDP 24301 – Land Use Permitting	5 – 95% of the project reviews and plan checks which are audited are found to meet standards for quality.	The methodology outlined in the SOP may not yield statistically significant results.	The SOP needs to be updated and revised to properly instruct staff on how to sample project reviews and plan checks. Staff should see Appendix C for guidelines. The SOP must also address the definition and application of quality standards. The SOP should provide a detailed explanation of what data should be used and how the calculation should be carried out.	We agree. See Department response to Program Measure 6.	Implement
		The SOP does not reflect current practice.		We agree. See Department response to Program Measure 6.	Implement
		The FY 2002/2003 audit data was lost.	Staff members need to retain all documentation relating to measure results and reporting.	We agree. See Department response to Program Measure 13 and SDP Measure 2.	Implement
SDP 24301 – Land Use Permitting	6 – An overall applicant satisfaction rating of 85% is achieved.	The SOP requires revision.	Staff should develop an SOP that codifies the methodology staff used to calculate the result.	We agree and will revise SOP.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		The survey administered by the City is inappropriate for measuring this specific customer service transaction.	<p>City management should work with departmental staff to create viable ways to survey customers of specific City services. If this is not possible, then audit staff recommends the City suspend those measures which purport to convey customer satisfaction with specific services until such time as it can adequately measure them. Continuing to report on these measures without appropriate data may result in false information being used for decision-making.</p> <p>An alternative is for the Program to develop its own transactional survey. If possible staff from the Planning division should coordinate with staff from other Development Services Service Delivery Plans to develop and administer such a survey.</p>	We agree that the city-wide citizen satisfaction survey is inappropriate for judging the opinions of Community Development customers. We propose a transactional survey for One-Stop and Building customers. Such a survey may also be appropriate for direct customers of Planning, but not for the many indirect customers who are affected by Planning actions and decisions. The SOP will be revised to provide for the transactional customer satisfaction survey.	Implement
SDP 24301 – Land Use Permitting	7 – The Budget/Cost Ratio is at 1.0.	No findings.	N/A	N/A	N/A
SDP 24302 – Construction Permitting	1 – 90% of all building permits with plans and minor permits are ready for issuance within one business day.	This SDP measure is the same as Program Measure 4. Please see the findings and recommendations for Program Measure 4.		See response to Program Measure 4.	Implement
SDP 24302 measure 2 is inactive.					
SDP 24302 – Construction Permitting	3 - 91% of requested inspections are completed within 24 hours of scheduled date. Reported Result: 99%	This SDP measure is the same as Program Measure 5. Please see the findings and recommendations for Program Measure 5.		See response to Program Measure 5.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
SDP 24302 – Construction Permitting	4 – 95% of the plan checks and inspections which are audited are found to meet standards for quality.	The methodology outlined in the SOP may not yield statistically significant results.	The SOP needs to be updated and revised to properly instruct staff on how to sample project reviews and plan checks. Staff should see Appendix D for guidelines. The SOP must also address the definition and application of quality standards. The SOP should provide a detailed explanation of what data should be used and how the calculation should be carried out.	We agree. Sample sizes will be based on Appendix D table.	Implement
		The SOP does not address how to define “standards for quality.”		We agree and SOP will be updated to reference the building codes as the standards for quality.	Implement
		Building’s current audit log sheets do not provide information on why the particular check or inspection did not meet quality standards.		We agree. Additional information will be added to the audit log sheets.	Implement
		The audit log sheets for FY 2002/2003 were thrown away.	Staff members need to retain all documentation relating to measure results and reporting for the purposes of record keeping and complying with future audits.	We agree and have taken steps to more carefully and completely maintain records.	Implement
		The reported result is not consistent with the spreadsheet staff provided.			
SDP 24302 – Construction Permitting	5 – 90% of total building permits (on a three year rolling average) are closed.	This SDP measure is the same as Program Measure 11. Please see the findings and recommendations for Program Measure 11.		See response to Program Measure 11.	Implement
SDP 24302 – Construction Permitting	6 – 88% of regular building plan checks are reviewed within 21 days.	This SDP measure is the same as Program Measure 12. Please see the findings and recommendations for Program Measure 12.		See response to Program Measure 12	Implement
SDP 24302 measure 7 is inactive.					
SDP 24302 – Construction Permitting	8 – The Budget/Cost Ratio is at 1.0.	No findings.	N/A	N/A	N/A

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
SDP 24305 – One-Stop Counter	1 – Initial contact with telephone customers is made within 50 seconds 70% of the time.	The SOP requires revision.	Program staff should revise the SOP to reflect current practice and include a detailed procedure. The SOP should also specify the data source(s) to use for calculation of the result.	We agree and will revise SOP to reflect current practice of using the computer (BCMS) tracking system.	Implement
		The submitted data was not adequately documented.	Audit staff agrees with Program staff that the new computer tracking system, which monitors 100% of the incoming telephone calls and their wait times, is adequate for tracking this measure. If staff should need to manually track calls, a log should be used that records the date of each call and if possible, staff should take a screen shot showing the time it took to answer the call. Finally, staff should use the guidelines in Appendix C to calculate the appropriate sample size and collect a random sample.	We are monitoring 100% of calls using the BCMS system. A report will be generated each week for product recording.	Implement
		The sample of calls does not constitute a random sample and may not yield a statistically significant result.			
		The reported result is not consistent with the data submitted.			
SDP 24305 – One-Stop Counter	2 – 95% of customers are connected to the appropriate development service staff	There is no reasonable way for staff to monitor misdirected calls.	Ideally, this measure should be evaluated by an outside organization using a technique such as a mystery shopper. However, due to budget constraints it is likely that this option will not be available for some time.	We will correct this problem by changing the measure to a survey of all the development services staff served by the Counter staff. The SOP will be revised appropriately.	Implement
		May inaccurately portray staff performance.			
		The SOP lacks a method of calculation and adequate data tracking procedures.	In the meantime, audit staff agrees with program staff that a more appropriate measure would be to measure staff performance in performing job responsibilities. This could be done, as program staff suggested, by conducting a survey of all the development services staff served by the Counter staff. For example, "Counter staff members receive a customer satisfaction rating from Development Services Staff of 90% or greater." If staff revises this measure, they should consult with the City Manager's Office and the internal audit staff to develop an appropriate calculation methodology and data collection and maintenance program.		

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		The submitted data was not adequately documented.	See the above recommendation.	See above.	See above.
		The sample of calls used to calculate the result does not constitute a random sample and may not yield a statistically significant result.			
SDP 24305 – One-Stop Counter	3 – 70% of counter customers are seen within 15 minutes.	Measure wording does not reflect what is actually being measured.	The wording of the measure should be changed to reflect that this measure reports on all wait times, not the initial wait time of a customer. For example, the measure could be changed to state “70% of the time, wait times for counter customers are 15 minutes or less to see staff.”	We propose to revise the SOP to provide for an evaluation of wait time by customers through a transactional survey.	Implement
		The sample of staff response times used to calculate the result does not constitute a random sample and therefore may not yield a statistically significant result.	Staff should refer to Appendix D in calculating a sample size and making sure the survey is randomly administered.	We may survey all customers rather than a random sample of customers.	Implement
		Results are likely biased to reflect shorter wait times than were actually achieved.	Audit staff recommends sampling customers throughout the year and asking them to report on how long they waited. Appendix E provides two examples of surveys that could be administered to customers. These are only examples and may or may not adequately address the program's measurement needs. Having customers rate staff performance will eliminate many of the problems discussed above and will give waiting customers something to do. In addition, other customer satisfaction questions can be asked on this form.	We agree. See responses above.	Implement
SDP 24305 – One-Stop Counter	4 – Cashier balances within \$5.00 95% of the time.	No findings.	N/A	N/A	N/A

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
SDP 24305 – One-Stop Counter	1 – Initial contact with telephone customers is made within 50 seconds 70% of the time.	The SOP requires revision.	Program staff should revise the SOP to reflect current practice and include a detailed procedure. The SOP should also specify the data source(s) to use for calculation of the result.	We agree and will revise SOP to reflect current practice of using the computer (BCMS) tracking system.	Implement
		The submitted data was not adequately documented.	Audit staff agrees with Program staff that the new computer tracking system, which monitors 100% of the incoming telephone calls and their wait times, is adequate for tracking this measure. If staff should need to manually track calls, a log should be used that records the date of each call and if possible, staff should take a screen shot showing the time it took to answer the call. Finally, staff should use the guidelines in Appendix C to calculate the appropriate sample size and collect a random sample.	We are monitoring 100% of calls using the BCMS system. A report will be generated each week for product recording.	Implement
		The sample of calls does not constitute a random sample and may not yield a statistically significant result.			
		The reported result is not consistent with the data submitted.			
SDP 24305 – One-Stop Counter	2 – 95% of customers are connected to the appropriate development service staff	There is no reasonable way for staff to monitor misdirected calls.	Ideally, this measure should be evaluated by an outside organization using a technique such as a mystery shopper. However, due to budget constraints it is likely that this option will not be available for some time.	We will correct this problem by changing the measure to a survey of all the development services staff served by the Counter staff. The SOP will be revised appropriately.	Implement
		May inaccurately portray staff performance.			
		The SOP lacks a method of calculation and adequate data tracking procedures.	In the meantime, audit staff agrees with program staff that a more appropriate measure would be to measure staff performance in performing job responsibilities. This could be done, as program staff suggested, by conducting a survey of all the development services staff served by the Counter staff. For example, "Counter staff members receive a customer satisfaction rating from Development Services Staff of 90% or greater." If staff revises this measure, they should consult with the City Manager's Office and the internal audit staff to develop an appropriate calculation methodology and data collection and maintenance program.		

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
		The submitted data was not adequately documented.	See the above recommendation.	See above.	See above.
		The sample of calls used to calculate the result does not constitute a random sample and may not yield a statistically significant result.			
SDP 24305 – One-Stop Counter	3 – 70% of counter customers are seen within 15 minutes.	Measure wording does not reflect what is actually being measured.	The wording of the measure should be changed to reflect that this measure reports on all wait times, not the initial wait time of a customer. For example, the measure could be changed to state “70% of the time, wait times for counter customers are 15 minutes or less to see staff.”	We propose to revise the SOP to provide for an evaluation of wait time by customers through a transactional survey.	Implement
		The sample of staff response times used to calculate the result does not constitute a random sample and therefore may not yield a statistically significant result.	Staff should refer to Appendix D in calculating a sample size and making sure the survey is randomly administered.	We may survey all customers rather than a random sample of customers.	Implement
		Results are likely biased to reflect shorter wait times than were actually achieved.	Audit staff recommends sampling customers throughout the year and asking them to report on how long they waited. Appendix E provides two examples of surveys that could be administered to customers. These are only examples and may or may not adequately address the program's measurement needs. Having customers rate staff performance will eliminate many of the problems discussed above and will give waiting customers something to do. In addition, other customer satisfaction questions can be asked on this form.	We agree. See responses above.	Implement
SDP 24305 – One-Stop Counter	4 – Cashier balances within \$5.00 95% of the time.	No findings.	N/A	N/A	N/A

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
SDP 24305 – One-Stop Counter	5 – An overall customer satisfaction rating of 80% is achieved.	SOP does not reflect the methodology used in FY 2002/2003.	Staff should develop survey questions and develop a survey plan that will yield statistically valid results. As discussed under SDP Measure 24305-03, this survey could easily be combined with a survey asking customers to report on how long they waited for service at the One-Stop Counter. See Appendix E.	We agree. See responses above.	Implement
		The sample size may not have been adequate to achieve statistically significant results.	Staff should refer to Appendix D for guidelines on how to calculate the correct sample size and how to randomly administer the survey.		
SDP 24305 – One-Stop Counter	6 – The Budget/Cost Ratio is at 1.0.	No findings.	N/A	N/A	N/A
Activity	Activities: 243110, 243120, 243610, 243620, 243630, 243640 – Review Land Use Permit Applications	There is a slight discrepancy between the MBO Report and the source document.	Staff should reconcile accounting period reports with actual data on the number of land use applications reviewed at the end of the fiscal year to eliminate such discrepancies in the future.	We agree.	Implement
Activity	Activity 243130 – Provide Land Use and Zoning Information	Some of the data tracking sheets are missing from FY 2002/2003	Management staff from the One-Stop, Building and Planning Programs should collectively decide on a means for accurately tracking and reporting on measures that are being tracked by all of them.	We have begun exploring other data collection methods and will update the methodology and SOP as the most cost-effective methods are identified.	Implement
		Reported Result is not consistent with the documentation provided	Each staff member that is reporting products on their timecards, such as phone calls and emails answered, should keep a daily log of those products in order to accurately report on them. Such logs should be kept for a minimum of 3 years.	See preceding response.	Implement
			Management should not use the products reported for this activity for FY 2002/2003 as the basis for decision-making or comparison of results across years.	While the numbers may not be completely accurate, the methodology that was used was more or less consistent for many years. Anecdotal information about how busy the counter has been has consistently supported that the recorded data provides a general reflection of the trends in providing information.	Okay

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
SDP 24305 – One-Stop Counter	5 – An overall customer satisfaction rating of 80% is achieved.	SOP does not reflect the methodology used in FY 2002/2003.	Staff should develop survey questions and develop a survey plan that will yield statistically valid results. As discussed under SDP Measure 24305-03, this survey could easily be combined with a survey asking customers to report on how long they waited for service at the One-Stop Counter. See Appendix E.	We agree. See responses above.	Implement
		The sample size may not have been adequate to achieve statistically significant results.	Staff should refer to Appendix D for guidelines on how to calculate the correct sample size and how to randomly administer the survey.		
SDP 24305 – One-Stop Counter	6 – The Budget/Cost Ratio is at 1.0.	No findings.	N/A	N/A	N/A
Activity	Activities: 243110, 243120, 243610, 243620, 243630, 243640 – Review Land Use Permit Applications	There is a slight discrepancy between the MBO Report and the source document.	Staff should reconcile accounting period reports with actual data on the number of land use applications reviewed at the end of the fiscal year to eliminate such discrepancies in the future.	We agree.	Implement
Activity	Activity 243130 – Provide Land Use and Zoning Information	Some of the data tracking sheets are missing from FY 2002/2003	Management staff from the One-Stop, Building and Planning Programs should collectively decide on a means for accurately tracking and reporting on measures that are being tracked by all of them.	We have begun exploring other data collection methods and will update the methodology and SOP as the most cost-effective methods are identified.	Implement
		Reported Result is not consistent with the documentation provided	Each staff member that is reporting products on their timecards, such as phone calls and emails answered, should keep a daily log of those products in order to accurately report on them. Such logs should be kept for a minimum of 3 years.	See preceding response.	Implement
			Management should not use the products reported for this activity for FY 2002/2003 as the basis for decision-making or comparison of results across years.	While the numbers may not be completely accurate, the methodology that was used was more or less consistent for many years. Anecdotal information about how busy the counter has been has consistently supported that the recorded data provides a general reflection of the trends in providing information.	Okay

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
Activity	Activity 243190 – Provide Land Use Permit Administration	Audit staff did not audit work hours.		N/A	N/A
Activity	Activities: 243210, 243230, 243510, 243540, 243550 – Review Regular Building Plans	There is a significant discrepancy between the results reported on the MBO and those in the source report.	Staff should investigate the reason their corrections were not incorporated by the Accounting Division and take steps to ensure corrections are incorporated in the future.	We agree. We now make corrections throughout the year, as needs arise, which gives us the opportunity to verify that they have been properly recorded.	Implement
Activity	Activities: 243220, 243240, 243520, 243560, 243530 – Review Express/Minor Building Permit Applications	No findings.	N/A	N/A	N/A
Activity	Activity 243290 – Provide Construction Permitting Administration	Audit staff did not audit work hours.		N/A	N/A
Activity	Activity 243250 – Close Building Permits	No findings.	N/A	N/A	N/A
Activity	Activity 243260 – Provide Building Information	SOP needs to be updated to reflect current practice.	Staff should update the SOP to reflect the current practice for recording and reporting on this measure. The SOP should specify what this measure tracks, who tracks it and how.	We agree and SOP will be updated.	Implement
		There is a discrepancy between the number of customers served as reported and the number shown on the source document.	Staff should investigate the reason for the discrepancy between the source data and the reported products and ensure that the two match in future reporting.	Reasons for discrepancies have been resolved.	Okay
			Each staff member that is reporting products on their timecards, such as phone calls and emails answered, should keep a daily log of those products in order to accurately report on them. Such logs should be kept for a minimum of 3 years.	We agree.	Implement
			Management should not use the products reported for this activity for FY 2002/2003 as the basis for decision-making or comparison of results across years.	We agree.	Implement

OUTCOME LEVEL	MEASURE	SUMMARY OF FINDINGS	SUMMARY OF RECOMMENDATIONS	DEPARTMENT RESPONSE	DISPOSITION
			Management staff from the One-Stop, Building and Planning programs should collectively decide on a means for accurately tracking and reporting on measures that are being tracked by all of them.	We agree.	Implement
Activity 243999 is inactive.					
Activity	Activity 243800 – Answer Phones	The product is inconsistent with the activity.	Management should change the products for this activity to a phone call answered instead of a customer served. This will help to distinguish these products from those in other activities where customers are served in person.	We agree and will change the product to a phone call answered.	Implement
		The SOP product is not the same as that in the MBO.			
		Staff currently uses three different summary log sheets.	Audit staff agrees with program staff that use of the BCMS Vu software system is preferable to having staff manually track each incoming phone call for the purpose of reporting on this activity. However, One-Stop staff also provide information to Building Safety and Planning on the number of calls they receive, so management will need to determine if it wants to continue to double count these products and report them in multiple activities.	One Stop staff will be using the BCMS system to track phone calls received. When calls are referred to Building or Planning, they will be so logged so that these divisions can include them among customers provided building or planning information.	Implement
			If staff members continue to use log sheets, they should consolidate the weekly and monthly information into one log sheet to eliminate discrepancies.		
		Products reported in the MBO are inconsistent with the source data.	Management staff needs to check the products reported in the MBO each accounting period against the products recorded by staff and correct any discrepancies on an ongoing basis.	We agree.	Implement
Activity	Activity 243801 – Reception/Cashier Station	See findings for activity above.	See Recommendations for activity above.	N/A	N/A
Activity	Activity 243802 – Provide One-Stop Permit Administration	Audit staff did not audit work hours.		N/A	N/A